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These Hard Times

Wherefore and How Long?

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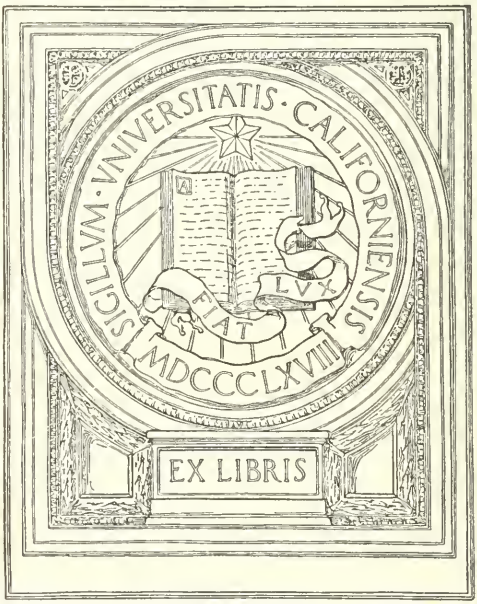

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HARD TIMES:

WHEREFORE AND HOW LONG?

STUDIES OF THE FINANCIAL SITUATION

BY THE REV. J. C. ELLIOTT.

ILLUSTRATIONS BY J. S. BENNER.

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PREFACE.

This book is the result of studies undertaken solely for the purpose of discovering, if possible, the mysterious cause of these depressed times. I have no personal interest in the question, and, so far as I know, I am free from party bias of any kind. The facts were gathered from the best available sources, and will be found sufficiently accurate by any who may have the means of verifying them.

If the reader does not always find the reasoning clear and forcible, yet, if he has a logical mind, and will read this book through, he will be led irresistibly, as I have been, to the belief that our trouble is monetary, and that there should be a change in our financial policy.

J. C. Elliott,

Pastor of the Central Presbyterian Church, Akron, Ohio.

WHEREFORE.

ARTICLE I.

The query "Why these hard times?" is in every thoughtful mind. That there is a radical wrong somewhere that should be righted, all admit; but there is no conception of what that wrong is, and, therefore, there is no agreement as to the remedy.

The cause of these depressed times, if we are not wanting in intelligence, certainly can be found, and a remedy can be applied, unless we are wanting in moral stamina. If there is this wide-spread suffering and we are not able either to find the cause or to apply the remedy, then it must be confessed with shame that we have neither the intelligence nor the moral character to fit us for self-government, and our experiment of a government "by the people; for the people" is a failure. We are degenerate sons unable to perpetuate the blessings bought for us by the sacrifice and blood of our fathers.

The answer to this question does not interest us alone; this in common with every other principle touching human rights and public welfare that has been discussed and settled in this republic, widens in its results, and affects the destiny of the civilized world. As patriots, we should come to this consideration unprejudiced, and this should also be studied with a broad Christian spirit, recognizing our obligations to all men.

These hard times are not caused by crop failures in any part of the land. The seasons have been

favorable and the fields have yielded the cereals in great abundance. The orchards and gardens have furnished an abundance of fruit and vegetables. Clothing is abundant and cheap; we could never before buy such good, warm woolen goods for so little money. Mines of coal, iron and other metals have not become exhausted, while oil and gas wells have greatly multiplied and force out their treasures for our comfort. Nature has been lavish in her blessings, even the cold of winter seemed tempered to the needs of the poor. A kind Providence has been over us. The strange anomaly is cold, hunger and suffering in the midst of teeming abundance.

They are not caused by a scourge of pestilence. The public health was never better. We have come to understand the conditions a vigorous body requires. The study of physiology and hygiene in our public schools has made this generation more intelligent in the care of the health, and the benefits are seen in this freedom from any public scourge and the gradual lengthening of the average of human life.

Quarantine regulations by the general government, and also careful guarding against contagious diseases by State, municipal and township authorities, have made it quite improbable that any general pestilence shall occur among us.

Vigorous physical health has now become the fashion. Attenuation of body is no longer regarded as indicating a refinement of mind. Clothing and shoes are now worn that fit and are comfortable. The contraction of any part of the body is now vulgar. College athletics are carried to such extremes that this development of the physical occupies more

space, as reported to the public, than the development of the mind. We know all about college teams but scarcely hear of their literary work. It can be readily seen how pestilence would paralyze all business, and this was appreciated by the general government at the opening of the year 1893 and guarded against with severe restrictions. But no shadow even of such a calamity has been upon us.

There has been no war to disorganize society. War is expected to produce suffering, and times of peace should be promotive of general prosperity and happiness. There is, and has been, profound peace for years, not only in all parts of this land, but all over the world; yet the shrinkage of values and financial distress is as great as if an invading army were threatening every community.

Strikes of laborers is not a cause, but a result, in these times; and an unavoidable result with the most considerate employer. The competition is very close in every line of manufactured products, and the customers require concessions, and one concession seems but to encourage them to ask for another. The Model Employer must continually resist this pressure and uphold prices that will afford his workmen living wages, and himself a fair profit. This pressure upon prices is all but irresistible in ordinary prosperous times, and that manufacturer is strong who can resist the tendency to yield the greater discounts asked; but the manufacturer is helpless when prices break to pieces and come crashing about his head. There is but one alternative, either to close his shop or produce at cheaper rates. Then the cut must come in the wages, and the laborer resists, blames and strikes, charging the employer with

severity, when he is himself crushed by a weight he is powerless to resist. When the price of everything manufactured, from a steam engine to toothpicks, has depreciated the half, there is no resisting the destruction of wages. The cause of the strike is the depression the manufacturer cannot avoid. That which causes the depression is the real trouble to be sought and corrected.

The wandering so-called "armies" are a protest against the wrongs but ill-defined, which they are suffering and which they believe the government can relieve. This condition of unrest and discontent and homeless wandering is abnormal in a time of peace, when every one should be reclining in comfort, happy and contented under his own fruit trees.

There has been no special outbreak of vice to enervate our people and waste their substance. Gambling, that was so ruinous to the thousands that risked their fortunes, has been largely suppressed and driven from our borders. The amount expended in lotteries formerly was enormous, but no foot-hold is now afforded anywhere, and our mails are closed against their advertisements and their tickets and their remittances, under a penalty. Even the slot machines have been driven from most of our cities. The crusade against this sin has been wonderfully successful, so that even the speculation in grains is now regarded as blame-worthy. There has been quite a clearing of the atmosphere, and an education that has stopped this drain and waste.

There has been a wonderful advance in the overthrow of the sin of intemperance. There never was a time when there was such a concurrence of public sentiment against this evil. The amount of waste

is enormous each year and the amount of suffering inexpressible, and the number of human lives lost and homes ruined is very great. Yet this evil has not been increased, but greatly decreased. No man can now secure a responsible place on a railroad, not even that of brakeman or of track-walker who is addicted to this vice. The positions of trust in shops and stores are now occupied by sober men. The pulpit is a unit in denunciation of this sin, and clergy and laity in the church generally are now teetotalers. This habit is now largely confined to the lowest order of the lowest classes, whose influence in society as a controlling force would be slight were it not that universal suffrage makes them a power that cannot be disregarded by the political manipulators. The modern medical remedies are now successfully applied to those who have social standing or pride or good family associations.

The filthy and expensive so-called luxury of tobacco has not increased. At the opening of our nation's history everybody used tobacco in some form. The men chewed it and smoked it, and the women smoked it and snuffed it. Now in all the northern portion of our country, a woman under sixty years of age who either smokes or snuffs is a rarity, and she is also rarely found among the cultivated and elegant ladies of the South. Practically all the clergy of the North, and largely in the South, are free from this habit. Professional men and gentlemen no longer take it with them to church or the parlors. Its use is confined to certain rooms at our hotels, a certain car in our trains and the back seat on street lines. The expense is enormous, yet no candid ob-

server can fail to note that this habit is in the decline among the better people.

It is not those addicted to vicious and filthy habits that are now especially the sufferers, but they are the most enterprising and thrifty and helpful in all that makes men better and the world happier. Those who had bought homes and were struggling to pay for them ; those who had engaged in hopeful and promising business enterprises, for their own benefit and for the benefit of their communities, are ruined beyond even the hope of recovery. These evils may aggravate the trouble in certain homes where the incomes have become meagre and little is left for the common necessaries of life after these habits are served, but they existed before in much greater force than now, and were fastened upon those in much higher social position.

There are those who talk wisely of the stated financial disasters occurring at regular periods, of about twenty years, as the turn of seasons and as the tides of the sea, and to be so received and provided for. But a regular effect must have a regular recurring cause and therefore should have our earnest attention, that it may be discovered, not only for our own comfort and safety but also for the benefit of the generations that shall come after us. We do not rest at ease until we mark the tides' limits and their cause ; and the seasons are calendared and explained. So this periodicity of commercial disaster, if it be a fact, should have its cause understood that we may provide against it in the future ; but it is not a fact that there are regularly recurring periods of depression. These occasions have been numerous it is true, lasting from five to five hundred years, as

during the ages when the Roman Empire went out in night, but each period has had a cause peculiar to itself.

These hard times are not caused by tariff laws in force or prospective. They began prior to the special protective tariff legislation which has marked the past few years and which is yet in force. That legislation was for the very purpose of forcing prosperity, which was declining, and it possibly did have a temporary appearance of accomplishing that result. Farming as an occupation was not paying and relief was sought from unrecompensed farm drudgery. Manufactories were encouraged and a rush was made from the country to the cities, that depleted the country but caused the cities to spring up as if by magic, and there was a great urban boom that looked like permanent prosperity; but the hard times continued to grind down, and the cities with their factories were distressed. Then these same protective laws were charged with being the cause of misfortune, and the party which promised their repeal was placed in power with such a majority as seldom falls to the lot of any political organization. But the hard times kept grinding down closer still. Then the people in desperation cried out that they had made a mistake, for the very possibility of a change of tariff had increased their burden. The Hebrew people were anxious that Moses should deliver them from their oppressions, but when he undertook it and went before Pharaoh, and Pharaoh said, "these people are discontented because they are idle," and ordered their tasks heavier than before, the Hebrews wished they had been contented to grind on in their bondage. The cry was raised,

SILVER
TARIFF
Jos S. Benner

The Senate as in Committee of the Whole, having under consideration the bill (H. R. 4864) to reduce taxation, to provide revenue for the Government and for other purposes—

Mr. CAMERON said :

Mr. PRESIDENT : For a hundred years this matter of a protective tariff has been thrashed out between the two or three great parties and the two or three great interests of the United States, and still it remains as serious as when it nearly broke the Union sixty years ago.

* * * * * * *

For my own part I want to do more than restore the tariff. The tariff alone is not enough to make a complete or a strong national policy. On the tariff alone I cannot appeal with confidence to the whole people. I repeat and I insist that the tariff and silver are two sides of the same issue. They are bound together by necessity. The one without the other must break down. Both together are invincible.

" The panic of 1837 occurred under the Clay tariff averaging about 22 per cent. The panic of 1857 occurred under the Walker tariff averaging 25 per cent. The panic of 1873 come under the Morrell tariff, which averaged 48 per cent, and the panic of 1893 occurred under the McKinley tariff, which averaged 58 per cent. Here we find that two disastrous panics came under lowest tariffs since 1816, and also that two terrible panics came under the highest tariffs we ever had. This proves that panics came under low tariffs and high tariffs."

EX-SPEAKER :

" If I must, I will even lead silver to get the old issue on its feet for one more race."

OHIO'S GOVERNOR, August 15, 1894 :

" I am sure these recent events will revive my old hobby for a successful ride in 1896."

PRESIDENT :

"Hold the old issue up, my cuckoos, or I may have to 'confront' silver."

"do not touch the tariff," and it is not likely that any great modification will be accomplished during the tenure of power of the party that was placed in authority by the people for that very purpose. The times have not been affected by the prospect of repeal, which seemed certain after the elections of 1892, nor are there now signs of relief, when it is well assured after months of discussion that there will be no material change by this congress. The factories do not start. Wheat, cotton and wool are selling lower than ever. Assignments and sheriff sales continue.

The "silver purchase clause," in the summer of 1893, had to bear all the blame of the financial distress. For its repeal a special session of congress was called, and no other business was permitted until that was accomplished. That measure gave no relief as it was seen before its passage that it would not. The burden of that silver purchase was but that of a feather to a giant. It sapped the blood, but it was only as a mosquito sucking blood from an elephant. The effect of that purchase clause was too inconsiderable to be worthy of serious notice and its repeal was not worth what it cost.

They are not caused by pensions. Vast amounts are paid to pensioners, and possibly to a few who are unworthy, but this is spent at home, and is paid mostly to those who otherwise would be more or less dependent, and is an honorable and worthy method of relief. If it were not for these pensions many a crippled old man would now be finding his way "over the hills to the poor-house," and many widows would be separated from their little ones, who are now in economical but comfortable homes bringing

up their children to love the flag, which was protected by their natural protectors, and which now in turn protects them. The suffering in these times is greatly relieved by our pension legislation.

The trouble is financial. All property values have shrunk away one-half or more. The producers of staple products are compelled to sell them at lower prices than have ever been known before. One-fourth of our voters, 3,000,000, are out of employment, and the farmers, 5,000,000 more, are compelled to work for wages that afford no promise of gain. Collections cannot be made. Debtors have no money. Manufacturers cannot operate because they cannot sell their goods. They cannot buy raw material for which they have no use.

There have been somewhat similar hard times again and again in our history; some have been severe and lasted for years. There was a rally from others in a few months.

The first great depression was in 1809, but the panics usually mentioned are those of 1818, 1837, 1857 and 1873. Each of these had a definite cause, which was seen after the stringency was over more clearly than in the midst of the suffering.

The panic of 1809 was especially severe in New England. Banks had been organized with little capital, and that often was not paid in, and yet they issued notes far beyond the amount they could ever hope to redeem. The time came when this inflation must cease and payment was demanded. The effort to contract brought on the crash. The money was worthless. One bank had issued half a million of dollars in paper, and less than one hundred dollars in coin was found in the vault for its redemption.

In 1816 a government bank was chartered, which two years later brought on a financial panic by an effort also to contract its inflated currency. With $300,000 of silver it had issued six million dollars in notes which were outstanding. It endeavored to collect its loans and increase its reserve of specie, which brought on a condition of distress that prostrated all business. Stay laws were passed by some States to prevent the utter sacrifice of the property of the debtor class. The financial distress at this time prevailing in England, caused by the establishment of the gold standard in 1816, also increased the severity here.

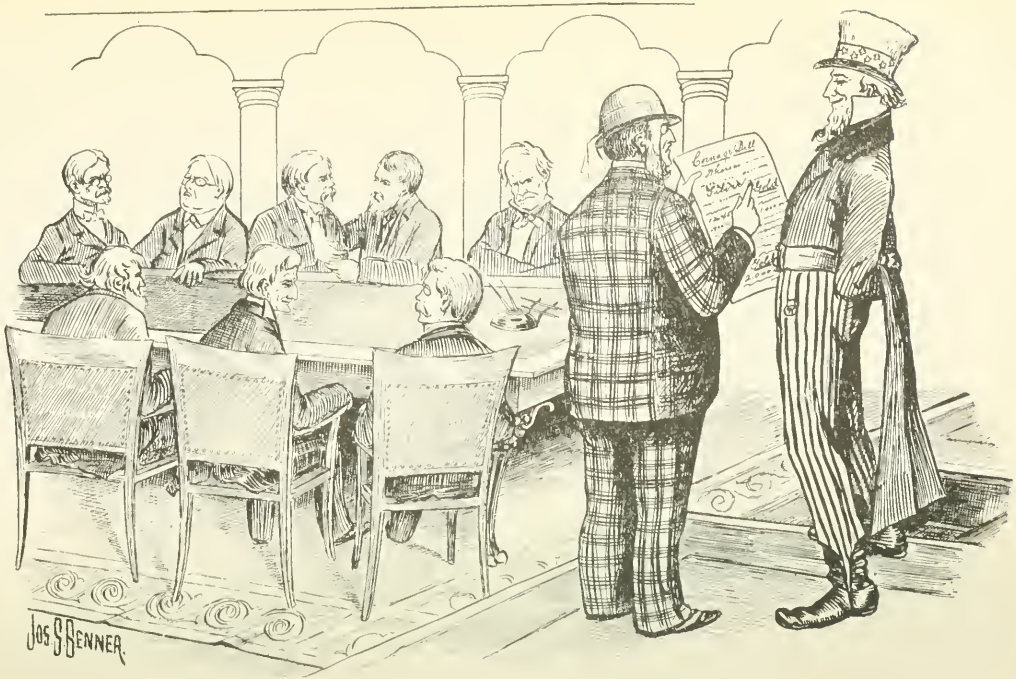
The stringency of 1837 was caused by the war of President Jackson on the National Bank. In 1836 he issued his specie circular forbidding the acceptance of the bank's notes for public lands. This brought money to a specie basis, suddenly, and compelled the bank to suspend in 1837. The paper money, which was almost exclusively in use, was worthless and would no longer be accepted in payment of debts of any kind and all business was paralyzed and did not rally for years.

After the discovery of gold in California and Australia, there was such a rise in prices from the annual large additions to the gold supply as to encourage a spirit of speculation, and men went wild. Each day property was worth more than on the day before. Anybody could do business because everybody did business on credit. The New York clearing house was established and weak banks were opened in all parts of the country. The Ohio Trust Co. started the panic by its failure. It was found that all its funds had been embezzled. Frauds without end

were discovered in other institutions and confidence in all monetary concerns was destroyed. A period of depreciation of values and financial distress followed. But that was the year of the greatest output of gold in California, $65,000,000, and the panic was over in a few months and commercial confidence returned.

The currency was inflated during the war, and after its close the government was seeking to return to specie payment at as early a date as possible. This required a contraction of currency and a necessary fall of prices. Coin had not been in circulation since 1861, when it suddenly disappeared in a day, and the people were anxious for a speedy return to a specie or metallic basis This, they thought, would indicate a complete recovery from the misfortunes of war and be a warranty of a stable and reliable future prosperity. On February 12, 1873, Congress passed a bill, which omitted the silver dollar from the coins of the United States and made gold exclusively the measure of all values. This demonetizing of silver preceded the crash. The act is very long and regulates all the minutiæ of coinage. This omission of silver was possibly not noticed by any except those having the bill in charge. It was not discussed nor was attention called to the possible effect this might have on the financial future. The revised statutes were adopted June 22, 1874. In this revision the silver dollars were deprived of their legal tender character, and the demonetizing of silver was completed.

The panic began with the failure of Jay Cooke & Co. This house had been unusually prosperous and enjoyed the confidence of the government, and of the



EXPERT REVISING THE COINAGE BILL FOR UNCLE.

Mr. DAWES. The distinguished Englishman, to whom I referred, who was charged with coming over here to do the opposite of what he did, was Ernest Seyd.

Mr. BECK. I observe, if the gentleman will allow me, that on the 9th day of April, 1872, when the bill was read up to its sixth section and laid aside and never taken up again, the gentleman from Massachusetts [Mr. Hooper] remarked :

The bill was prepared two years ago, and has been submitted to careful and deliberate examinations. It has the approval of nearly all the mint experts of the country, and the sanction of the Secretary of the Treasury. Mr. Ernest Seyd, of London, a distinguished writer who has given great attention to the subject of mints and coinage, after examining the first draft of the bill, furnished many valuable suggestions which have been incorporated in the bill.

I suppose he is the same person.

Mr. DAWES. There is no doubt about that fact. (See page 125 *Congressional Record*, December 12, 1877.)

Demonetization was known at the time by at least one. The Senator from Ohio says :

Sir, I would rather stand this day before you defending a law which has been denounced and vilified as this has been, boldly avowing that I did read the law, and that I knew its contents, than to plead the baby act, and say I did not know what was pending here before us for two or three years as an act of legislation.—*Congressional Record*, August 31, 1893, page 925.

Senator Beck, in a speech made in the Senate January 10, 1878, said :

It [the bill demonetizing silver] never was understood by either House of Congress. I say that with full knowledge of the facts. No newspaper reporter—and they are the most vigilant men I ever saw in obtaining information—discovered that it had been done.—*Congressional Record*, volume 7, part 1, Forty-fifth Congress, second session, page 260.

Senator Hereford, in the Senate, on February 13, 1878, in discussing the demonitization of silver, said :

So that I say that beyond the possibility of a doubt (and there is no disputing it) that bill which demonetized silver, as it passed, never was read, never was discussed, and that the chairman of the committee who reported it, who offered the substitute, said to Mr. Holman, when inquired of, that it did not affect the coinage in any way whatever.—*Ibid.*, page 989.

"Why the act of 1873, which forbids the coinage of the silver dollar, was passed no one at this day can give a good reason."—Senator Bogy, of Missouri, in *Congressional Record*, volume 4, part 5, Forty-fourth Congress, first session, page 4178.

On February 15, 1878, during the consideration of the bill above referred to, the following colloquy between Senator Blaine and Senator Voorhees took place :

Mr. VOORHEES. I want to ask my friend from Maine, whom I am glad to designate in that way, whether I may call him as one more witness to the fact that it was not generally known whether silver was demonetized. Did he know, as Speaker of the House, presiding at that time, that the silver dollar was demonetized in the bill to which he alludes ?

Mr. BLAINE. I did not know anything that was in the bill at all. As I have before said, little was known or cared on the subject. [Laughter.] And now I should like to exchange questions with the Senator from Indiana, who was then on the floor and whose business it was, far more than mine, to know, because by the designation of the House I was to put questions ; the Senator from Indiana, then on the floor of the House, with his power as a debater, was to unfold them to the House. Did he know ?

Mr. VOORHEES. I very frankly say that I did not.

(*Ibid.*, page 1063.)

people all over the country. Universal distrust compelled the banks to suspend. The weaker manufactories were compelled to close and this long period of general depression began, which, with increasing severity, continues. There have been efforts to resist this, but there has been a steady decline in prices and a rapid decline the last two years. The good solid times anticipated when we should again be upon a metallic basis were not realized. Before the resumption of specie payment, silver had been destroyed as money. Coin was made to mean gold only.

All the previous financial stringencies were caused by the contraction of the currency so as to conform somewhat to the amount of both silver and gold. This has been caused by contraction to reach a specie basis, but just before that was reached the specie basis was itself contracted one-half. The silver half was taken away when it was as good as the gold half and slightly better, for silver was at a premium. All legal tender coin must be gold coin; every dollar a gold dollar containing 25.8 grains of gold. This caused the depression that has been constant, though with varying severity, since 1873. The extreme hard times of these later years is increased by the successful efforts to destroy silver as a basis of money among other nations. The intense evil effect of demonetizing silver and adopting the single gold basis we only now are beginning to realize.

USES OF MONEY.

ARTICLE II.

Money has two uses. It is a measure of value and a medium of exchange. When a medium of exchange it is called currency. These two uses must be clearly distinguished. The most of the confusion in discussion of this subject has been from a failure to keep them distinct in the mind.

The value of property is measured when appraised. When the assessor takes an inventory of a community he measures the value of each individual's lands and live stock and goods of every kind, and the amount is set over against each for tax assessment. When a person dies and his estate is to be distributed among his heirs, appraisers are appointed to measure the value of all his property, when it passes into the hands of the administrator. The value of any article sold must be measured. The difficulty of applying the measure so as to ascertain the value accurately is the cause usually of the contention between buyer and seller. When ascertained it is stated with great precision in dollars, cents and fractions of a cent. The quantity of the property can mostly be definitely settled. If it is land, it can be carefully measured and the exact amount determined, but the value depends upon fertility, nearness to market, and other conditions that may be regarded as more or less important with each individual, and makes their estimates differ. If the property is live stock, it can be counted or

weighed, but the value depends on so many conditions, that it is not very easy for the buyer and seller to agree upon the price. The value of the horse does not depend upon its weight. The quantity of grain or vegetables can be stated in bushels by applying the measure direct. Liquids can be measured and the quantity stated with exactness in gallons or barrels. But the difficulty in measuring the value causes the arguing and disputing over prices.

On the other hand, when the measure of value is definitely settled and it is inconvenient or impossible to secure the measure of quantity, there is usually the same amount of difference and argument between buyer and seller. The price of fruit may be agreed upon but it is impossible to determine the amount of fruit yet ungathered in the orchard. The price of beef may be settled but it is impossible to agree upon the weight of the cattle in the pasture. The price of wool may be agreed upon but the quantity of wool upon the unshorn flock may be a matter of discussion. In all barter the quantity must be definitely settled, either by actual measurement or estimate, and the price or measured value also be agreed upon. There may be trading of properties. Farms may be traded, horses may be swapped, articles may be exchanged, but there can be no selling of anything for money without first measuring the value by the unit of an accepted standard. Our unit for the measurement of all values is the dollar, and as established in 1873 by this government, is 25.8 grains gold. The measure of value is in the weight of the metal. The stamp of the mint only certifies that the coin contains full weight, and is of the required purity.

Whoever has 25.8 grains gold has a dollar, but he

must take it to the mint and receive the government stamp upon it, a certificate of weight and purity, before it becomes a legal tender.

Paper money measures values only so far as it represents this metal.

When the possibility of the Confederate paper money ever being redeemed in the precious metals disappeared, it lost all purchasing power. When our paper currency was abundant, and the government in jeopardy, its purchasing power varied as the possibilities of its redemption in coin varied.

The unit by which either quantity or value is measured, should be fixed and unchangeable. The inch, foot, yard and rod should be the same from year to year and from age to age. They should be neither lengthened nor shortened. The same number of feet of lumber should be in the pile when taken down for use that was put into it. The bolt of cloth should measure the same yards that it did when folded, though it has been wrapped up for 20 years. The farm should measure the same rods, feet and inches that it did as recorded in the patent from the government received by the great grandfather. The liquid measures, barrel, gallon, quart and pint, and the weights, ton, pound and ounce, must remain the same, or endless confusion will result in the measures of quantities.

The dollar, the unit of value, should have a permanency that is not disturbed by legislation and that no ordinary variation in the production of nature would affect. It should remain the same from age to age, that vested funds may be safe and stable and that long tenures like land rentals or 99-year railroad leases may not be disturbed.

In this connection a portion, at least, of the famous letter of John Sherman, dated May 18, 1867, may be quoted with approval. This letter was written to Samuel B. Ruggles, the commissioner appointed by the United States to the Monetary Conference then in session in Paris. In this letter he strongly urges a single gold standard coin of uniform weight, as a unit among the nations represented. The franc had been suggested and the possibility of making the weight of our dollar conform to the weight of the five franc coin in gold; this would slightly reduce its weight. On this point he says plainly, "We will have some dificulty in adjusting existing contracts with the new dollar; but as contracts are now based upon the fluctuating value of paper money, even the reduced dollar in coin will have more purchasable value than our currency. We can easily adjust the reduction with the public creditors in the payment or conversion of their securities, while private creditors might be authorized to recover upon the old standard. All these are matters of detail, to which I hope the commission will direct their attention."

Money as a medium of exchange merely represents value and conveys that representation. It need not have value in itself. The vehicle that is employed to convey precious goods may be of little worth. The value lies in the goods conveyed. The medium of transportation is possibly thrown away as worthless when the goods are received.

When an article is sold, a note may be given by the buyer to the seller, on which is certified the value of the article. Any amount, great or small, may be written in it; its power lies in the sum which it rep-

resents. The seller receiving it may pass it, for articles he needs, to another seller, who, in turn, may pass it to another, and he to another; thus the same note may be the medium of many exchanges; especially is this the case when the original giver of the note is well known, and known to be reliable and honorable. And if every man were known to be unfailingly honest and responsible, these individual notes would be all the medium of exchange necessary. As a matter of fact a very large portion of our business is now transacted in this way. The clearing houses are but the stated exchanging of the notes and checks and drafts, of individuals and corporations, that were given for this purpose; and the proposed international clearing house will be the exchanging on a colossal scale, of these representations of value, between parties of all lands.

It is very convenient, however, to have these notes already made out to represent different values, and to have an endorser well known and of recognized responsibility, so that exchanges can be made quickly, accurately and safely. Money is, therefore, issued by the government representing such values, that any transaction, great or small, may be arranged with facility. The money has no more value in itself than the note of the responsible individual or corporation. The paper stamped $5 will represent ten times that amount if stamped $50, or twenty times if stamped $100. The paper may be common and coarse, like the first issue of the Confederacy thirty years ago, or the excellent and unique quality now used by our government. Its importance lies wholly in the representation or certification of values, which it carries.

Coin is metal stamped to represent values: the copper with which we make exact change, is very common material, yet the government stamp makes one hundred of them represent a dollar; the nickel is stamped to represent one-twentieth of a dollar; and silver and gold stamped, represent one, five, ten, or twenty dollars. The material of which coin, as a medium of exchange, is made is of no importance. It may be iron, copper, nickel, silver, gold, aluminum or any other metal. It is the stamp upon the metal, as upon the paper, that determines the representation of value it shall carry; just as truly as the date, amount and signature, of an individual's note, determines what it shall represent and convey. Coins are not necessary, and are not popular as a medium of exchange. Paper currency, such as bank bills, silver and gold certificates, checks and drafts, are much more convenient and desirable.

Money in the form of coin has its use as a measure of values, but as a medium of trade it might just as well remain carefully and safely stored in the treasury vaults.

CHANGE OF UNIT.

ARTICLE III.

In order that there may be uniformity in measurements, there must be a basis determined or fixed upon, also a unit definitely established, upon that basis. Both base and unit are arbitrarily made by law.

The seconds pendulum at sea level is the determined and legal basis of extension and indirectly also of weights, in this country. Many other things might be suggested. The distance from the equator to the north pole is the basis of the metric system. The metre is the one ten-millionth part. The vibrating pendulum is thought to be the most reliable basis for measurement of extension known. The human foot did very well in a crude condition of society, but now we require the most exact possible.

To measure values there must also be a basis established by arbitrary enactment. From the earliest history of our race, silver and gold have been employed in trade and commerce. Their beauty and freedom from tarnish and decay, and the limited quantity produced, made them, or at least they have become, the accepted standard among civilized and semi-civilized peoples. There is no standard established by international agreement. Other metals may be more precious and more difficult to procure from the mines, but silver and gold have been by common consent the standard by which all values are measured. They have formed the great pen-

dulum basis of values; one part was gold and sixteen parts silver, and this has remained practically the fixed ratio of the metals. This makes the gold and silver portions about equal.

Silver and gold are not *per se* the standard of values, any more than the pendulum is the basis of measurements and weights *per se*; but they are made so by law. Repeal the exactment fixing their values, and gold and silver bullion will be at once upon the market with variable fluctuating prices as any other commodity. They were given by law a permanent but fictitious value, which is very different from the real and intrinsic.

Silver is largely used in the arts. The tableware in humble homes is silver, yet, when silver was demonetized silver bullion became an article of barter, fluctuating and then greatly depressed in price. Had gold been demonetized instead, then gold bullion would have been of fluctuating price and no doubt it would have been depressed more than silver. The principal use of gold is money, three-fifths of the world's product being used for that purpose. Were its use as money and its fictitious value taken away, then, unless some new use should be discovered, gold bullion would be common and cheap.

It is not essential that they should be used at all for this purpose. Some other metals or grains, or lands and population, might be made the basis and serve the purpose Silver and gold, however, by the consent of the civilized world, have been so employed and have answered possibly as well as any other basis could.

The seconds pendulum at sea level being the established base of extension, the unit upon that base

is the 1-39.1012th part, and is called an inch. From this we derive all our measurements. Twelve inches make one foot, three feet one yard, and $5\frac{1}{2}$ yards one rod. This, then, is the ultimate unit with which we measure lumber and cloth and lands. From this unit we also derive our liquid measure; 231 cubic inches makes one gallon; and then by subdivision and by multiplying, we have the quart, pint and gill, and the barrel and tierce. From this we derive also our weights; a pound avoirdupois is the 1-8.3398th of a gallon of distilled water, and from this we obtain by division the ounce and by multiplying the ton.

It can be readily seen how important it is that the unit should not be variable. Should the inch be shortened and made the 1-40th part of the pendulum, the change of that small fraction in the inch would lessen the foot 12 times and the yard 36 times and the rod 198 times that fraction. If this were made binding in law, it would increase the amount of lumber in every pile and the number of yards in every bolt of cloth and the number of acres in every farm; and if this new unit were made binding in all existing contracts, it would be a great favor to those who are bound to deliver a certain number of feet of lumber or yards of cloth or acres of land. On the other hand if the unit were made the even 1-39th of the pendulum, then the inch would be lengthened, and foot, yard and rod be proportionately increased. The amount of lumber in the pile would be decreased. There would be fewer yards in the bolt of cloth and fewer acres in the farm, and if this new measurement were made binding in all existing contracts, without warning, it would be a great hardship to

those who should be compelled to fill them with these long feet or yards or acres.

If the unit should be changed to the 2-39.1012th part, it would double the length of the present unit, the inch, and therefore double the length of the foot and yard and all measurements of extension. It would increase all square measures four times. The square inch would be four times as large as it is now. A foot of lumber would be equal to four feet. The pound would be increased eight times, for a cubic inch would be eight times larger, as can be readily seen.

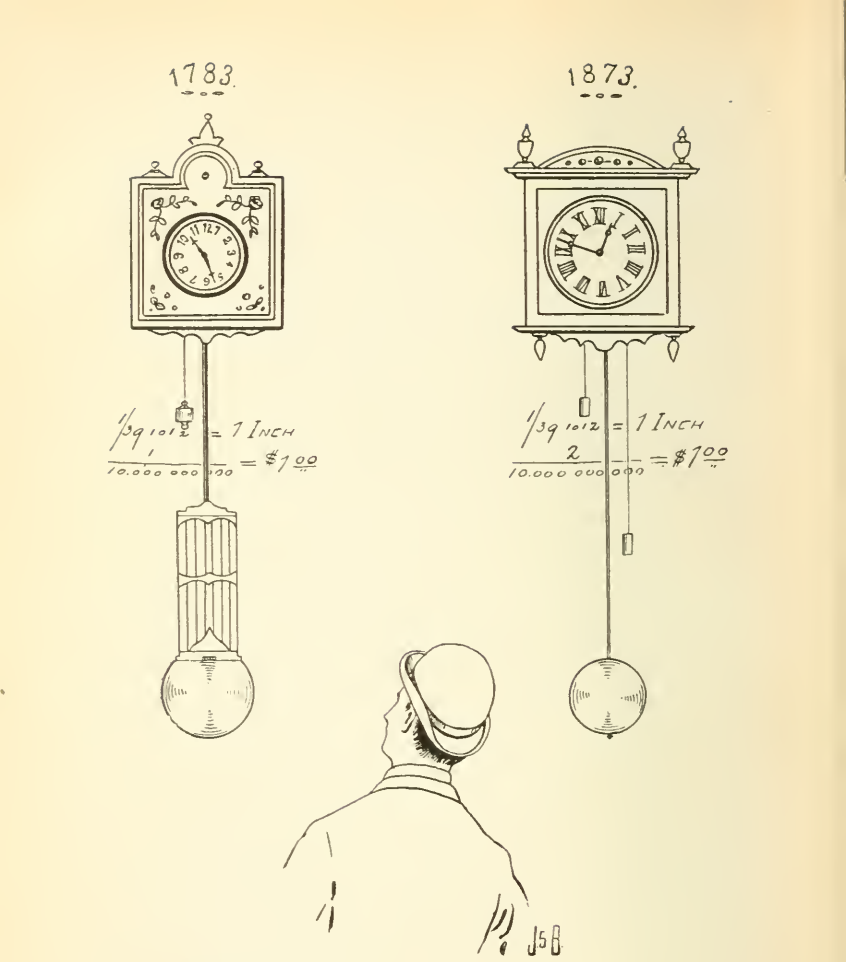
Such a great change in the unit of our ordinary measurements would cause complete confusion in all our business. Every contract involving measures or weights would have to be revised and changed, or there would be endless hardship to those who were bound to deliver a certain number of feet of lumber or yards of cloth or tons of iron; and if the law required all existing contracts to be filled with the new measures, there would be an utter paralysis of business. There would not be enough lumber nor grain to fill the contracts, nor cloth to fill the accepted orders, nor acres to meet the demands of every man's deed. There would be a struggle for all kinds of property; and there would be a crowding of one another off the earth. Such a change could not be thought of for a moment.

No change can be made without confusion, nor can any change, however slight, be made by law that would affect contracts. Their sacredness is provided for in the Constitution and every court of justice recognizes it. When any change is made that will affect contracts they are excepted.

In this State, Ohio, when the weight of a bushel of oats was changed from 32 to 33 pounds, it was provided that no existing contracts should be affected by it. If such a change were made in the unit of our common measurements as to double it, and an attempt were then made to enforce existing contracts, there would be a resistance, and if the government persisted in the effort there would be a revolution, and the consensus of mankind would be that it was justifiable.

The basis of values, by the common consent of mankind, civilized and semi-civilized, being silver and gold, there must be a unit fixed upon that basis. As the pendulum is the base of extension, so they have been the base of values maintaining the relation to each other, for ages and ages, of about 15 or 16 to 1. There has been no uniformity of unit among the nations; the franc, thaler, ducat, sovereign and many others are used, but the standard has been practically one among all peoples. The unit of our government up to 1873 was 412.5 grains standard silver, or 25.8 grains standard gold. The silver unit has remained unchanged from the beginning. The gold dollar has been twice modified but has been 25.8 grains for the past sixty years. Whoever had this amount of gold or silver had a dollar, and he could take it to the mint and receive the government stamp upon it, and then it became a legal tender. The stamp did not make it a dollar, but only certified that it contained full weight and was of required purity. The weight of the coin, and its proportional or fractional part of the whole base, makes its measure of value.

The combined weight of all the gold and silver



The Standard of Measures is the Seconds Pendulum at Sea Level.

1783.

One inch is the $\frac{1}{39\ 101\frac{1}{2}}$ part of the seconds pendulum at sea level.

Two inches is the $\frac{2}{39.101\frac{1}{2}}$ part.

One dollar is the $\frac{1}{10000000000}$ part of the base of values.

You can take it from either end.

If you take it from the silver end, you get 412.5 grains standard silver.

If you take it from the gold end, you get 25.8 grains standard gold.

1873.

A dollar is the $\frac{2}{10000000000}$ part.

You can take it from either end and it will be 25.8 grains standard gold.

The pendulum has not been lengthened; the dollar has not been made heavier; but it has been made longer—just twice as long.

One ten-billionth part of the twined wire is a dollar.

Two ten-billionth part of the single wire is a dollar.

The dollar is twice as long on the single as on the double base.

in the world is about 138,000 tons; 8,000 tons of gold and 130,000 tons of silver, and these combined form the standard for all nations. The silver and gold are about of equal value in the ratio of 16 to 1; 5 billion dollars silver and 5 billions of gold, and therefore the base is half silver and half gold, the portions being of equal length, but the silver part is 16 times heavier than the gold part. The silver dollar, 412.5 grains, taken from the silver part, was about one ten-billionth part of the value of the whole base, and the gold dollar, 25.8 grains, taken from the gold part, was also about the one ten-billionth part; so that the dollar, gold or silver, was about the one ten-billionth part of the metallic base.

But in the year 1873 the silver portion of the standard was taken away. Silver was no longer a measure of values but was itself to be measured as any other commodity. A silver dollar became merely a medium of exchange like a paper dollar. It still contained 412.5 grains silver, but it was not the silver that made it a dollar but the stamp upon it, and the declaration of the government that it shall be exchangeable for a real dollar of 25.8 grains of gold. The paper dollar is convertible into gold and is just as valuable for that purpose. Gold alone was made the standard or pendulum base. It must still be a seconds pendulum, it must do the same work. The gold then is drawn out through the space formerly occupied by silver, which was the one-half. Gold, therefore, is drawn out to twice its former length and forms the whole, now slender, pendulum rod.

The amount of gold, 25.8 grains, in a dollar remains the same, but the one ten-billionth part is only 12.9 grains. The unit of value, therefore, now is the

two ten-billionth part of the base. All the gold of the world is about 8,000 tons, and 25.8 is about the two ten-billionth part. The result is the same as doubling the amount of metal in the old unit. The two ten-billionth part of the old standard would be 825 grains silver or 51.6 grains gold. There is no escape from the conclusion that the unit has been changed in the one case as much as it would have been in the other.

Again we present this in a slightly different form. Call the gold in the world 8,000 tons—and that is near the amount—and draw out this gold into a wire 10 billion inches long, then the dollar, 25.8 grains, would be two inches of this wire. Call the silver of the world 130,000 tons—and that is near the amount—and draw this silver into a wire 10 billion inches long, then one dollar, 412.5 grains, will be two inches of this wire. But these two metals together have been the base of values, so we twine these two wires together into one of both metals 10 billion inches long. Now we can see that one inch of this wire, the one ten-billionth part of the whole combined base, is a dollar, half silver and half gold, 12.9 grains gold and 206.25 grains silver. This has been the unit by which all our properties have been appraised. A farm worth $10,000 was worth 10,000 inches of this wire or base. A bushel of wheat worth a dollar was worth one inch of this wire, that is, the one ten-billionth part of the whole metallic standard.

In 1873 the silver portion was taken away and the gold remained alone, but the amount of gold in the dollar remained 25.8 grains, so that it now requires two inches of that wire to make a dollar, the two ten-

389225

billionth portion of the whole former metallic base, just twice the length of the old unit.

The dollar unit now being gold, by the enactment of the government, reaches twice as far as the old unit did, and in the measurement of properties it covers twice as much as it did before. The farm is measured by the 10,000 inches of the base unit, but it now takes two inches to make a dollar, so that the farm is now valued at only $5,000, and by this new standard and unit is all that it can be appraised. The bushel of wheat is worth the inch of wire, the one ten-billionth part of the base, but it now takes two inches, the two ten-billionth parts, to make a dollar.

If a change were to be made to a single gold base, then the dollar should have been made 12.9 grains gold. That would have held the unit at the old length, the one ten-billionth part.

If this unit upon this new base had been called by a new name, the embarrassments that have followed would have been avoided. It might have been called *Goldun*, a contraction of gold-unit, with the *o* short or long, as seemed most euphonious.

Then all debts and obligations of every kind previously contracted could have been fulfilled honestly as intended, and new business and new obligations could have recognized and named the new unit the *Goldun*.

But the name only remained the same, the thing itself was changed, and the injustice perpetrated, of compelling all obligations to recognize the new unit and submit because it bore the old name.

Solon was wise and patriotic. His name is a synonym for unselfish devotion to the public good. He was given authority in Greece when times there

were much as they are here now. The great evil was debt. The people were not able to pay their taxes, and the revenues for the government were wanting. Their private debts were increasing. Mortgage stones were erected at the borders of each tract of land, giving the name of the creditor and the amount of his claim. The interest could not be paid and the debts were increasing. The farmer lost all hope and was only a laborer on the farm he once owned. The debtor who had no farm to work for his creditor, was yet in a worse condition; he was the mere slave of his creditor and could be sold by him. The free farmers were fast disappearing. The most of them worked hard, struggling with miserable poverty. The amount of silver was limited and no additions were being made to it from the mines. Solon at once came to the relief of this suffering class. He reduced the size of the drachma, the common silver coin, nearly one-third, making it possible for the debtors to meet their obligations. He released those who were enslaved and brought back those who had been sold abroad. The great work of Solon was for this debtor class, which has caused his name to be revered by all who have studied the history of his times. The modern lawmakers should learn from his example, so far at least as to permit the debtor to meet his creditor with the same kind of coin and the same weight as that in which the debt was contracted. That would be the "honest money." To compel the debtor to pay his debts with a coin of another metal and equal to two silver dollars when he agreed to pay but one, is public robbery of the helpless, and worthy only of Lysander's "Thirty Tyrants," Theromenes, Critias, and the rest, who usurped the power, and plotted the enslavement of Athens.

EFFECT ON PROPERTY.

ARTICLE IV.

Daniel Webster said: "Gold and silver, at rates fixed by Congress, constitute the legal standard of value in this country, and neither Congress nor any State has authority to establish any other standard or to displace that standard."

The Hon. James G. Blaine, quoting this utterance, adds: "On the much-vexed and long-mooted question as to a bimetallic or monometallic standard my own views are sufficiently indicated in the remarks I have made. I believe the struggle now going on in this country and in the other countries for a single gold standard would, if successful, produce widespread disaster in and throughout the commercial world. The destruction of silver as money and establishing gold as the sole unit of value must have a ruinous effect on all forms of property except those investments which yield a fixed return in money. These would be enormously enhanced in value and would gain a disproportionate and unfair advantage over every other species of property. If, as the most reliable statistics affirm, there are nearly $7,000,000,000 of coin or bullion in the world, very equally divided between gold and silver, it is impossible to strike silver out of existence as money without results which will prove distressing to millions and utterly disastrous to tens of thousands."

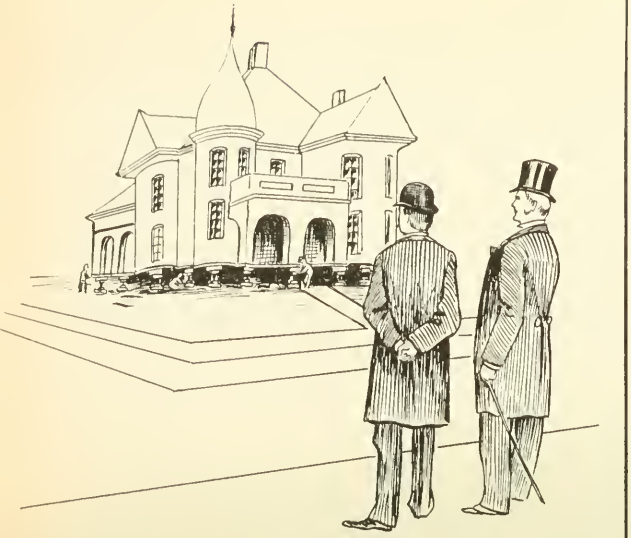
Prices are not regulated by money as currency but by money as a measure of value, sometimes

called the money of ultimate redemption. So far as our nation is concerned there is no such money now except gold. The silver half that was redemption money is discarded. This doubles, as we have demonstrated, the value of the unit, the dollar, and therefore it follows as a corrollary that this has doubled notes, mortgages, bonds, taxes, fees, salaries, railroad fares and freights, and all obligations expressed in money. It takes twice the property that it did formerly to pay them.

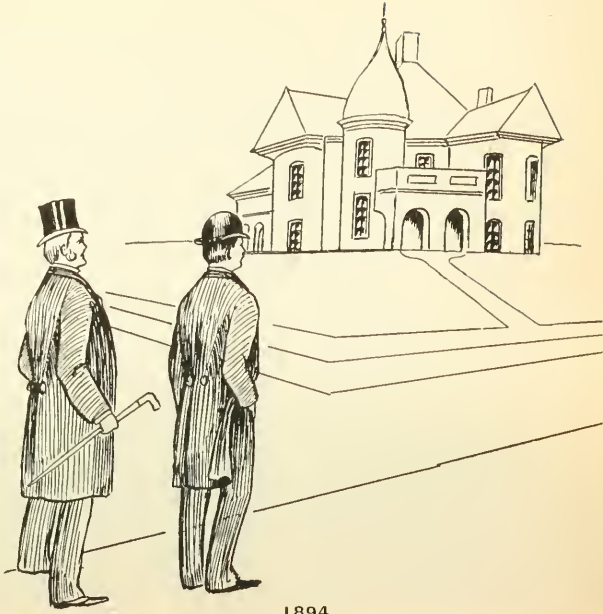
The foundation under your house is half brick and half stone; you take away entirely the stone part, and bring no new material, but the brick portion you level down under the building for it to rest upon. It can be plainly seen that the house is raised only half the height of the former wall. The base upon which all our properties rested was half silver and half gold; when the silver is taken away and the gold thinned or leveled out under it all, it is readily seen how properties settled to half their former prices.

Gold thus measures twice the amount of property it formerly did, and because all money is now gold by the determination of the government, all money doubles its demands upon property. The mortgage under half a farm formerly, now spread out takes the whole farm. The house and home half paid for is taken by the claim now spread out under it all.

The debtor now has no option, but must meet his creditor with gold dollars (or *goldums*), that are twice as long as when there was a base of both gold and silver. This has so greatly enhanced money that property in comparison seems worthless. Prop-



1873



1894

1873.

GUEST. This is a fine home you have. May I ask how much such a place is worth here?

HOST. I have just paid $10,000 for that property. We like it very much.

GUEST. What are those fellows doing?

HOST. My dear sir, those are not common fellows; those are financiers, experts, who are putting it on a new base of value. The whole foundation will be of gold. That is English, you know. All the houses in England rest on a gold base.

GUEST. Did you ever! Well! Well!

1894.

GUEST. Is this the home you were putting on an English or gold foundation? What has happened? Hasn't it sunk into the ground?

HOST. Yes. It has gone into the dirt.

GUEST. How much is it worth now, in that shape?

HOST. Worth! It's cheap, dirt cheap, dirt cheap! I have paid $8,000 and I will give it up to Shylock to-day for the $2,000 balance on the mortgage he holds. No more English in my dish.

erty is depressed because measured by this larger unit of value. If the farm of a quarter section, 160 acres, is measured by a doubled standard of extension, the 2-39.1012 of a seconds pendulum, it will make the rod twice the former length, and each side of the farm will measure but eighty rods and the whole farm will contain but forty of the new acres, only one-fourth as many. So the farm which was formerly $80 per acre actually sells under the hammer for $20 (or *goldums*), one-fourth the former price, if it sells for cash, or can be sold at all. This is in truth the condition in Northern Ohio and possibly the condition is no better in other parts of the country. The sales made are mostly in adjustment of old claims, and no money is actually paid over. Mortgages are foreclosed. The first mortgage takes the property, the second mortgage is worthless.

There are conditions that seem to make this doubling of money peculiarly severe on the farming class who may be in debt. Most farmers are more or less in debt. Young farmers owe on the farms they have purchased for themselves, and older men have used their credit to help their children or to assist their neighbors when these times began to pinch, but debts have not been paid and their credit is failing. When property was rising a farm was good security for one-half or three-fourths its value, as the distance between indebtedness and full value was always growing greater, but on a falling market the farm will be taken as security for only a tithe of its appraisement; for the value sinking, and the debt increasing, approach each other rapidly. The farm on which was a trifling mortgage a few years

ago is now in danger of going upon the market for that small amount. Money is said to be plenty in the banks, and is, but it takes at least three times as much farm property to secure it. By this change their realty is neither salable nor good security.

The farmers' products have also decreased in price while certain expenses remain. Lands are assessed for a period of ten years and there will be no reduction, in this State, before 1900, although they have depreciated. Other property, assessed annually, is appraised at the present worth. Their taxes, therefore, are proportionately greatly increased; also the personal property being much less, the assessment must be higher, and the burden comes upon the land. The taxes, too, must be paid in cash and they require twice to three times the amount of farm produce formerly required to meet them.

The freights have not been changed to meet the depression of prices. The freight on wheat to market from the home village of the writer to the city he frequents, is the same that it was twenty years ago, about five cents per bushel. Then, when wheat was $1.25 this was but four per cent. on the price, now that wheat is forty-five cents this is a little over eleven per cent., nearly three times the per cent. of the former charge. When the farmer received $1.25 for a bushel he paid only four per cent., now when he receives but forty-five cents he must pay eleven per cent. of his money to the railroad company for freight. At points more remote from market the freight charges rise to fifty and seventy-five per cent. of the amount received.

The fare from the village to the city and return has always been one dollar. Twenty years ago the

farmer could make a trip to the city and return, and a twenty-five cent dinner added, for one bushel of wheat. Now it takes two bushels of wheat plus ten cents, and no dinner. Cotton farming is no better. Twenty years ago the planter took a bale of cotton to market and brought home one hundred dollars, now he must take three bales if he expects so much money. Wool has left the farmer's hands at prices equally low.

Horses, cattle, sheep and live stock of every kind have become cheap beyond all precedent. There may be exceptional varieties of stock that have been salable, and there may be some variation in the price of cereals owing to causes which are not foreseen and cannot be controlled. Corn is a failure this year, 1894, because of the drouth throughout the whole corn belt that has seldom been equaled in extent and severity.

The farmer, who has worked diligently since 1873, and has been thrifty and kept himself free from debt, and has been accumulating property every year, is worth less now than then. After years of diligent industry and successful toil there has been no gain. All his property appraised and sold to-day would not realize as much money as twenty years ago. The depreciation of value has been greater than the accretion of property.

The average size of a farm in the United States:

1870	153 acres
1880	133 acres
1890	107 acres

Average value per acre:

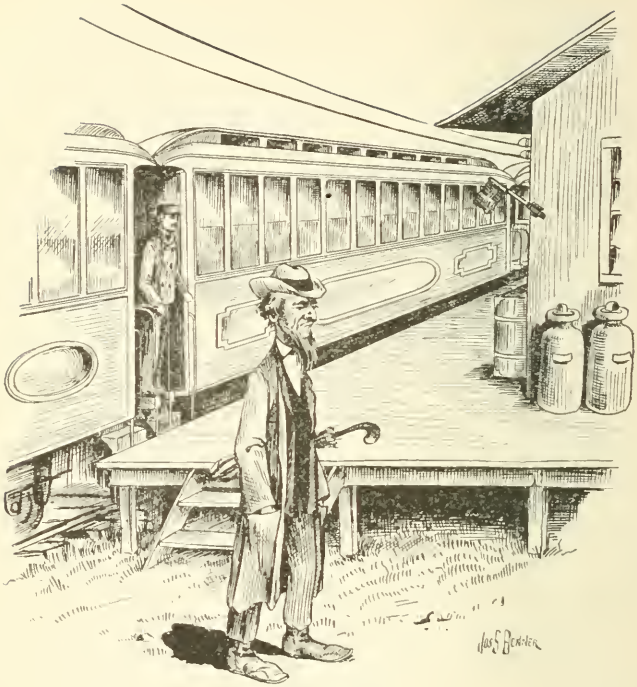
1870	$59 00
1880	46 00
1890	28 00

The average value of each farm :

1870	$3,430 00
1880	2,428 00
1890	1,630 00

The value in 1894 is at least twenty-five per cent. less than in 1890.

The value of the farm is the farmer's capital and from it he receives his income just as truly as bank stock is the capital of the banker from which he receives his interest. The depreciation of the value of the farm is just as great a loss as would be the dwindling away of the bank stock. The depreciation of land destroys the farmer's credit and the depreciation of produce destroys his income. If a capitalist had ten thousand dollars of stock in bonds and mortgages on which he drew his interest, and found that in some mysterious way that capital was decreasing year by year and his interest growing less and less, it would arouse the suspicion that there was wrong somewhere and fraud, and there would be no rest until the fault was discovered and the perpetrators who were accountable placed behind the bars. This depreciation of capital in realty has been produced by the manipulations of those who profited by it and though under the cover of law has the same moral turpitude as if the capital had been taken from the vaults at night. This depreciation of farm property has been felt first, but must be followed closely by the depreciation of real estate in the cities. There is a depression of rents of dwellings that is irresistible. Business houses cannot continue their leases when their incomes have been decreased the half. Mortgaged properties will not rent for enough to keep them in



NO DINNER.

FARMER. I sell my finished wool in a free market and buy my goods in a protected market. I sell my wheat for 45 cents, but the railroad which was given the right of "eminent domain" across my farm has made no reduction in rates for carrying it to market. It takes more than twice the former amount of produce to pay my fare when I travel. As property is reduced it should not be over one cent per mile, yet the Legislature would not come to my relief. When I go to town, they charge me one-half bushel of wheat for a plain dinner, and for a good dinner one bushel and a half. I am getting poorer every year. My farm is not worth one-third as much as it was twenty years ago. I am discouraged; would not you be?

"Ill fares the land, to hastening ills a prey,
Where wealth accumulates, and men decay:
Princes and lords may flourish or may fade;
A breath can make them as a breath has made;
But a bold peasantry, their country's pride,
When once destroyed can never be supplied."

—(*Deserted Village.*)

repair, pay all city taxes and insurance and the interest on the loan, and they must come upon the market. The collapse in the values of city property cannot fail to be as complete as that of farms. Manufacturing plants also sink in value. Those which stand nearest the agricultural class feel the depression first, but there is no escape for any property erected to meet the demands of any class at former prices. Money each year buys more property than it did the year before. Property each year sells for less than the year preceding.

The appraisement in the cities is greatly decreased and yet most of the municipalities are already taxed near the maximum permitted by law. If the amount of property appears on the assessors' books like the actual decrease in selling price, there will be a deficiency in the revenues which support the school, police, fire department and street lights, and which pay the bonds and other expenses that must be met. This trouble is already upon some of our cities.

The current expenses of railroads must be met and the interest on their bonds must be paid when due, so that neither fares nor freights can be lowered, nor the amount of traffic decreased, without their ruin. They cannot prevent the decrease of traffic. It is this that has now driven so large a portion of the railroad companies into the hands of receivers ; 43,000 miles are in receivers' hands now. Last month, July 1894, their receipts were twenty-six per cent. less than July 1893. They are now receiving an enormous per cent. of the value of the properties they transport, but the traffic has decreased so

that even this cannot save from the courts thousands of miles more.

There is no encouragement to buy anything when the indications are that in a year it can be bought for less than is now asked for it. Why buy a farm now when 10 per cent. possibly can be saved by waiting another year? There is no safe basis for the estimate of the income of a farm when the prices are continually dropping. Manufacturing properties are no safer. The agricultural machines may be piled up waiting for the farmers to come to buy. The farmers have no money and do not come. The woolen goods and the cotton goods and the leather goods are piled up waiting for the uncovered and cold and unshod. The goods are needed but there is no money. The money has been drained away from the people utterly, as they have made their honest efforts to meet their doubled obligations until now they are exhausted. They are impoverished and are too poor to buy. They are wearing shoes that would formerly be called worn out, and clothes that are faded and threadbare and patched.

The Hebrews marched for years through the wilderness wearing their old clothes and sandals because they could not be renewed, and in some mysterious way they did not wear out. So now from very necessity the old clothes and shoes are continued and wear marvelously, but the manufacturer, with his great stock of goods, is ruined. No one will buy or invest in any property when the income from it is so certain to fail. Middlemen, merchants, grocers and dealers of all kinds have reduced their stocks and buy only what is necessary for immediate trade.

There is no encouragement to improve properties when with the improvements they will be worth less than before. This stops building, drainage of lands, improvement of stock and all progress in property of any kind. The factories are mostly carrying a heavy indebtedness which is increasing while they are idle, waiting for customers. They must sell before they can buy more raw material. There can be no enlargement, no advance in any line. There can only be continued contraction and business decay.

The condition is gloomy in the extreme. The depreciation of property has been ten times as much as the national debt at the close of the war in 1865. The debt was then about $2,800,000,000, but by this change of unit our boasted estimated valuation of $70,000,000,000 is reduced in debt-paying power more than $28,000,000,000. The debt-paying power of every holder of property has decreased one-half. The present reduced public debt, on the present gold basis, is harder to meet than the whole debt on the old basis. We were paying off the debt rapidly, but now we are not meeting our current expenses, falling behind the last six months seventy-five millions. We have paid as interest of public debt $2,538,000,000. We paid on the principal $1,700,000,000, and now $1,071,000,000 remains; yet this has been made to so increase its demands upon property that it is more of a burden than the whole debt when incurred.

TABLE SHOWING THE INCREASE IN THE NATIONAL DEBT IF PAID IN FARM PRODUCTS.

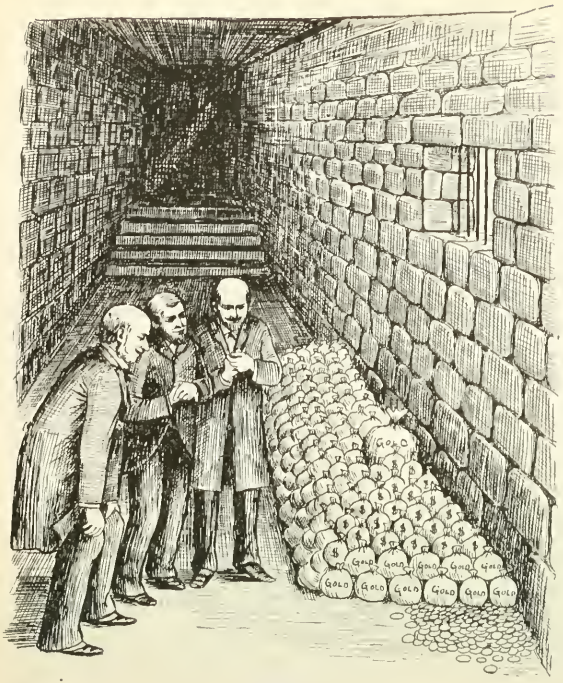
Debt in 1866, $2,783,000,000. Debt in 1894, $1,071,979,527.

Products necessary to pay the debt, as per prices at that time.	Amount 1866.	Amount 1894.	Showing actual increase.
Beef—barrels	129,000,000	178,663,254	49,663,254
Pork—barrels	87,000,000	107,197,952	20,197,952
Wheat—bushels	1,007,000,000	2,143,959,014	1,136,959,014
Oats—bushels	3,262,350,000	4,287,918,028	1,025,568,028
Corn—bushels	2,218,000,000	3,970,294,174	1,652,294,174
Cotton—pounds, 1867	7,092,000,000	15,312,993,242	8,221,993,242
Coal—tons	213,307,000	267,994,881	54,687,881
Bar-iron—tons	24,110,000	26,145,842	2,035,842

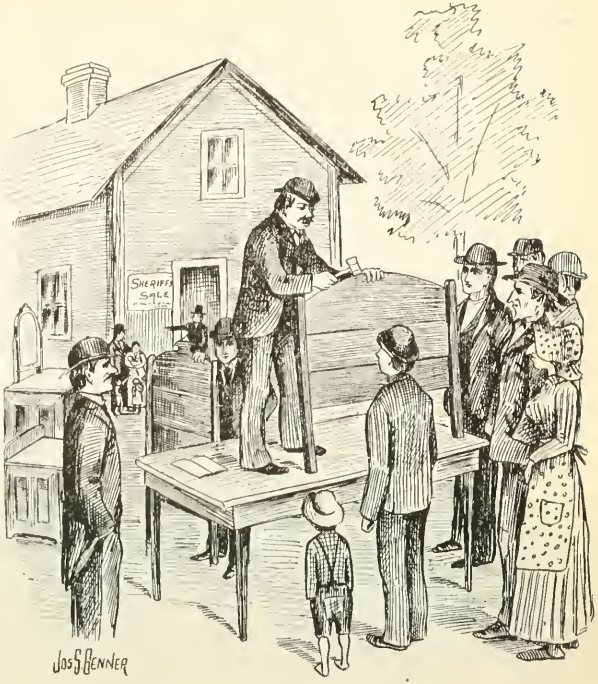
Though we have paid the enormous amount of $4,238,000,000, interest and principal, yet now it has been so manipulated that it will take more bushels of corn, or pounds of cotton, or barrels of pork, or tons of iron to pay the balance of the public debt, $1,071,000,000, than it would have taken to pay the whole debt in 1866.

This condition of the public debt is only parallel with that of private parties all over the land. There are many who have been paying interest for years promptly, and have also greatly reduced the principal, who now find that they owe more than ever when that debt is measured by any staple product with which they had hoped to pay. The result has been the distress of the most honorable and upright and also the embarrassment of others who only sought to be helpful by lending their credit. No pen can adequately picture nor mind conceive the fearful trials that have been experienced in the financial strain of these years of continued depression.

This change of the unit and the decrease of property and the increase of debts, public and private,



GREED.



SOLD OUT.

SHY. "There is some ill a brewing towards my rest,
For I did dream of money bags to-night."

* * * * * *

ANT. "Hear me yet, good Shylock."

SHY. "I'll have my bond ; speak not against my bond ;
I have sworn on oath, that I will have my bond." * * *

* * * * * *

ANT. "I pray thee hear me speak."

SHY. "I'll have my bond ; I will not hear thee speak ;
I'll have my bond, and therefore speak no more.
I'll not be made a soft and dull eyed fool,
To shake the head, relent, and sigh and yield
To Christian intercessors. Follow not :
I'll have no speaking : I will have my bond."

—(*Merchant of Venice.*)

"The old man took the blow, but did not fall,—
Its weight had been before. The land was sold,
The mortgage closed."

—*J. J. Piatt.*

has caused more restless nights, and the loss of more sleep; it has caused more sorrow and tears; it has caused more alienation among kindred and the separation of friends; more bitterness of feeling and more misery and more woe, than the war of the revolution and all the conflicts since, including the four years of bloody strife between 1861 and 1865.

Thousands of the honest and frugal have been stripped of the accumulations of years and ruined, and thousands more are in jeopardy and cannot escape if the old unit is not restored. There never was a time before when debtors were so anxious to pay on the very terms they agreed to pay, and are not permitted, but must face utter ruin because by arbitrary enactment their debts have been doubled. It is hinted that there is in the world a den of Shylocks, in this year of grace, who planned and accomplished this, and who now, as they sit among their gold, are grinning at the wretchedness and woe their greed has caused.

EXCHANGE.

ARTICLE V.

Exchange is parting with those things we can spare for those we need. In a savage state each consumes what he himself produces. Among civilized people money as a medium of exchange is absolutely necessary, and the higher the civilization rises, and the more widely it is extended, the greater is the amount required. In a primitive state of civilized life the producer and consumer are close together; indeed this separation, by division of labor, has largely grown within two generations. Formerly, when the farmer sold his produce to the general merchant, he bought from him coffee, sugar, calico, cloth and hardware. The money he received was a small amount, it was only the balance remaining after his wants were supplied; and when the laborer sold his services, usually to the farmer, he received from the farm nearly all that he consumed in his home; the amount of cash he received was trifling.

Now the produce, as wheat, is sold to a miller who pays the whole amount in cash, which is carried to and distributed among the various merchants and tradesmen, and exchanged for shoes, clothing, groceries and hardware in the separate shops; and then it must find its way back to the miller in exchange for his flour.

Labor is usually sold now in a city, to a manufacturer of stoves, or harvesters, or matches, or pots, or books, who sends them to distant states, and

EARLY OHIO.

First settlement Marietta..... 1788.
Military road cut through by Gen. Wayne .....1794.
Territorial Government established ..... 1799.
Admitted as a State.....1803.

No finite eye then looking over this wilderness could foresee the farms, gardens, towns and cities, and all the developed resources of this commonwealth to-day.

"Is it possible that from a beginning so feeble, so frail, so worthy not so much of admiration as of pity, there has gone forth a progress so steady, a growth so wonderful, an expansion so ample, a reality so important, a promise yet to be fulfilled so glorious?"

—*Edward Everett.*

"O purer years of light and grace!
Great is the difference, as the space,
'Twixt you and us, who blindly run
After false fires, and leave the sun."

—*Henry Vaughan.*

many months must pass before they reach the consumer and the cash be returned to the manufacturer, when the laborer receives the whole amount of his earnings in money, which must be distributed by him, and find its way through an infinite number of complicated channels to the producer of wheat, and cotton, and wool, and hides. With our modern appliances labor produces more than it ever did before, but also, never before was the distance between producer and consumer so great. The medium of exchange, carrying these representations of value all the long distances now between them, should be proportionately increased.

In the early statehood of Ohio, three-quarters of a century ago, the grandfather of the writer was for a number of terms the representative from his district. He rode to Chillicothe, then the capital, about 100 miles on his own horse. He wore clothes homespun and home-raised. The linen grew in his own fields and the wool on the backs of his own sheep, and I have been assured that every article of his clothing was transformed from the "raw material to the finished product" by the skilful hands of his own wife. There was little need of money in those primitive times, but now, all is changed; the wool is sold for money, and must pass through many hands, and be transported here and there, long distances, before it comes back as clothes, to reclaim the cash received for it.

The civilized portion of our country is rapidly widening, reaching out over territory possessed only by savages a few years ago, quickly transforming marshes into metropolises. The most marvelous

exhibition at the Columbian Fair was the contrast between Chicago 1833 and 1893.

Savage nations are also being civilized and commerce is extended where there was no possible trade a few years ago. The group of islands in the Pacific that attracted the attention of all our people for many months, and whose commerce is now regarded as so important, were inhabited by cannibals at the opening of this century. Christian civilization and commerce have been traveling, hand in hand, round the world, extending trade and producing a demand for an ever increasing medium of exchange. The amount demanded in the world to-day is incomparably greater than were the needs two generations ago.

Money in exchange is the medium by which the value of articles is conveyed. It takes the place of the bags which conveyed the wheat, of the crates which contained the potatoes, of the baskets which carried the peaches, and the wrapping which held the cotton or the wool. The farmer in the market gives his wheat and receives its value in vessels called money, which is carried to the clothier, who receives this value of his wheat and gives in exchange the needed clothes. This money which brought the value of the farmer's wheat to him, now contains the value of the clothes with which he has parted. He carries the value of his clothes to the butcher who takes this value of his clothes and gives him his meat ; the money now conveys the value of his meat, which he carries to the miller, and so the money containing the value of the article with which each one parted is carried round and round.

Col. Irish, who was chief of the Bureau of Engrav-

ing and Printing when he died and under whose administration the present building was erected, at one time sent to the wife of the writer a ten dollar bill wrapped up so that it looked like a picture, cabinet size; this was accompanied by a note, to be opened first. In this note he said he took pleasure in sending her an excellent likeness of our late lamented president, which he would be pleased to have her accept. If she should prefer it in some other form, it was a peculiarity of this likeness that it would change instantly at the will of the holder into any form desired; that this was the peculiarity that troubled him as he had been unable to decide what would please her best, and had finally decided to send it in this form and let her change it into any other she might like better.

Money is a peculiar vessel which will hold and carry the value of anything. You pour in your wheat and take it to the merchant, who empties your wheat and fills it with clothes, he carries it to the dealer in any article needed and the vessel is instantly emptied and refilled.

It is the prerogative of the government alone to make these vessels. It claims and exercises the right of making them and then compels us to carry the values in them. When I have bought your wheat you must take its value when offered in these government packages; they are legal tender.

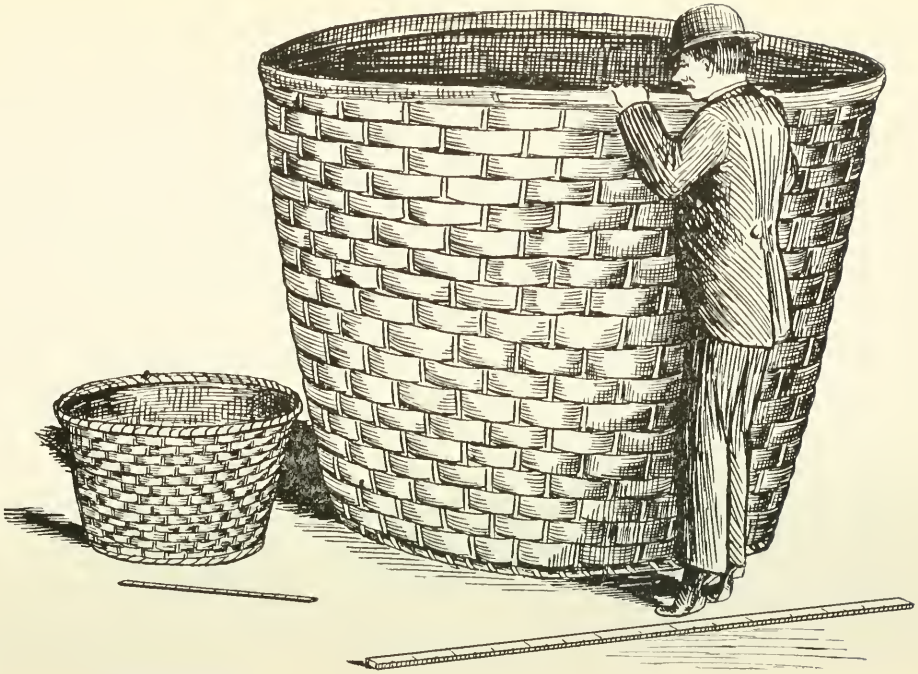
The government then claiming the prerogative of making the packages that convey the values of all the articles in the crates, baskets, boxes, and bags and vessels of every kind in which goods can be carried should furnish a sufficient supply. There is no more danger of too much money than there is of the

farmer having too many baskets, or bags, or crates. When the market is extended and the goods, as fruits, are conveyed long distances, there must be more baskets than when merely sold day by day at home.

Many think more money is needed now; that is not the present trouble. There is plenty of money; these packages for the conveyance of values are piled up by the million ready to be used, but there is no demand for them. When the farmer has his sheds full of baskets or crates he is not using, he is not foolish enough to make more. It usually indicates that there has been a crop failure and therefore not so many are needed. There has been no failure of any kind. Harvests are abundant and all our property is here and ready to move, and is moving, and yet these millions of money remain unused.

The call for more money is not well taken. It is as untimely as to ask for more crates when the barn is full of empties. One-third of the currency is piled up idle in the banks.

There are those who point to the large bank reserves as evidence of the solid condition of business and a proof that we are prospering, notwithstanding the complaint everywhere of hard times. Money is never made to be piled up in banks, any more than sap pails are made to be piled up in the sugar house. When you find the pails all piled up snug and dry you know you are too early or too late to get a taste of sweet in that bush. Sacks are of no use when neatly folded and laid away in the farmer's granary. The baskets and crates are idle and are stowed away carefully when



OLD MEASURES.

NEW MEASURES.

The old measures of values have been so enlarged, that those who borrowed under the old measures and must repay with the new are ruined.

This is an old Hebrew trick, played as early as 800 years B. C.

"Hear this, O ye that swallow up the needy, even to make the poor of the land to fail.

Saying, when will the new moon be gone, that we may sell corn? and the Sabbath that we may set forth wheat, making the ephah small and the shekel (dollar) great, and falsifying the balances with deceit?

That we may buy the poor for silver (gold), and the needy for a pair of shoes, yea and sell the refuse of the wheat?

The Lord hath sworn by the excellency of Jacob, surely I will never forget any of their works.

Shall not the land tremble for this and every one mourn that dwelleth therein?" —*Amos.*

the season of service is over. Money stacked up in the banks is the clearest evidence that something is wrong.

When the vessels are large fewer are needed and if the crates or sacks you use this year are doubled in size, though your harvest is equal to that of last year, you will need only half as many. If all the packages for the conveyance of values furnished by the government are doubled in size, there will be but half as many needed for the exchange of the same properties. As we have shown, the government has doubled the unit and therefore doubled the size just as truly as the size of a box would be doubled containing the same number of inches, but those inches twice the former length. Formerly one bushel of wheat would fill a dollar package and have nearly a peck to spare; the present dollar (or *goldun*) package holds two bushels and more, so the wheat farmer does not need half so many as formerly. Twenty years ago the planter filled a hundred dollar package with one bale of cotton, now he can put three bales in the hundred dollar (or *goldun*) package. He does not need over one-third as many as formerly. If the farmer has during the winter enlarged all his crates and boxes to double their former size, and yet raises no larger harvest, of course one-half will be idle.

There is a positive want of property to fill these packages now that they carry double the values they did formerly. If the dollar measure were restored to its former size these immense reserves would soon be brought into active use.

RISE OF GOLD.

ARTICLE VI.

Ex-Senator Ingalls in a speech on February 15, 1878, said: "No people in a great emergency ever found a faithful ally in gold. It is the most cowardly of all metals. It makes no treaty it does not break. It has no friends it does not sooner or later betray.

"Armies and navies are not maintained by gold. In times of panic and calamity, shipwreck and disaster, it becomes the agent and minister of ruin. No nation ever fought a great war by the aid of gold. On the contrary, in the crisis of the greatest peril, it becomes the greatest enemy, more potent than the foe in the field; but when the battle is won and peace has been secured, gold reappears and claims the fruits of victory. In our own civil war it is doubtful if the gold of New York and London did not work us greater injury than the powder and lead and iron of the rebels.

"It was the most invincible enemy of the public credit. Gold paid no soldier or sailor. It refused the national obligations. It was worth most when our fortunes were the lowest. Every defeat gave it increased value. It was in open alliance with our enemies the world over, and all its energies were evoked for our destruction.

"But as usual, when danger has been averted and the victory secured, gold swaggers to the front and asserts the supremacy."

The dollar is not a vague and indefinite thing. It is not merely the stamp of the government, but it is a tangible quantity of metal. Every dollar now means 25.8 grains of gold and when a dollar is promised it means the payment of that amount of gold, or its equivalent, on demand. It is just as truly a specific promise as a promise to deliver wheat, except that the government has furnished authoritative equivalents to the gold in currency. The unit in France, Belgium and Switzerland is the franc, 3.125 pennyweights of silver, and the franc must be met with that amount of silver or its equivalent. The unit of the United Kingdom is the sovereign, which contains 123.2744783306518059 grains of gold. In looking at that fraction the full force of the remarks of an English representative in the Brussels Conference can be appreciated, when he said that "It is now known in the United Kingdom, when a debt is incurred, exactly the amount of gold that has to be paid; any change from that unit would disturb contracts, and such a change as the addition of silver to the base would be leaping into the dark, for the effect can not be foreseen."

When the change was made from gold and silver to gold alone, it naturally and unavoidably caused that metal to rise in price. It produced an unusual and sharp demand. The rise was similar to that of any other commodity in like conditions. If the contracts for lumber over the country were suddenly changed so that all called for walnut, there would be such a demand for the meager supply of that variety that the holders of walnut would double, triple and go wild in putting up the price. If the contracts for grains were changed to call

for corn only, then that cereal would be in such demand that the price would at once rise beyond all precedent, and as these contracts continued to be pressed for fulfillment, there would be no limit to the extortionate demands that would be made.

When all contracts for money were made to mean gold alone, then this unusual and sharp demand caused gold to rise just as a demand for any other commodity would put up the price. This was aggravated, too, by the fact that this metal was mostly held by a few. A few held a corner on the gold of the world. A great gold trust manipulated the whole supply.

When silver was demonetized we had not sufficient silver and gold combined to meet more than two-thirds of the demands of our currency. There were at least five hundred millions that could not have been filled with either metal. When every dollar was made to mean and demand gold there was not gold enough to meet one-third of the currency. European nations that had been bimetallic, and India that had used silver, demanded gold. The unavoidable result has been that this has caused an appreciation of gold that greatly aggravates the situation now, and affords no hope of relief in the future. It has created a demand that the world cannot supply. It has been parting from everything else and rising. All other products have remained relatively to each other the same, but gold has soared above them all. Take the average of forty staple articles and they bear to each other the same relative prices they did twenty years ago, but gold is fifty per cent. higher.

The following are the average gold prices of commodities calculated by Augustus Sauerbeck, Esq., of 3 Moorgate Street Buildings, E. C., London, in his long and elaborate paper on "Prices of Commodi-

ties and the Precious Metals" (Journal of Statistical Society, March, 1892). The commodities are the leading articles of commerce, valued separately, but classified under six general heads: "Vegetable food," "Animal food," "Coffee, sugar and tea," "Minerals" (chiefly metals and coals), "Textiles," and "Sundry materials" (such as cotton, flax, hemp, jute, wool, silk, oil seeds, petroleum, chemicals, indigo, timber). The lists and valuation show the greatest care, and are accepted generally as absolutely reliable. Mr. Sauerbeck decidedly recognizes the appreciation of gold. His evidence and statistics are valuable.

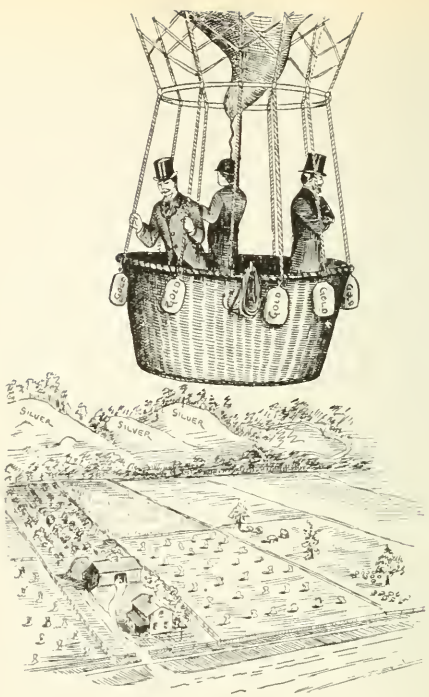
AVERAGE GOLD PRICES OF COMMODITIES.

Year	Vegetable food (corn, etc.)	Animal food (meat, etc.)	Sugar, coffee and tea	Total food	Minerals	Textiles	Sundry materials	Total materials	Grand total
1871	94	100	100	98	92	103	105	101	100
1872	101	101	104	102	127	114	108	115	109
1873	106	109	106	107	141	103	106	114	111
1874	105	103	105	104	116	92	96	100	102
1875	93	108	100	100	101	88	92	93	96
1876	92	108	98	99	90	85	95	91	95
1877	100	101	103	101	84	85	94	89	94
1878	95	101	90	96	74	78	88	81	87
1879	87	94	87	90	73	74	85	78	83
1880	89	101	88	94	79	81	89	84	88
1881	84	101	84	91	77	77	86	80	85
1882	84	104	76	89	79	73	85	80	84
1883	82	103	77	89	76	70	84	77	82
1884	71	97	63	79	68	68	81	73	76
1885	68	88	63	74	66	65	76	70	72
1886	65	87	60	72	67	63	69	67	69
1887	64	79	67	70	69	65	67	67	68
1888	67	82	65	72	78	64	67	69	70
1889	65	86	75	75	75	70	68	70	72
1890	65	82	70	73	80	66	69	71	72
1891	75	81	71	77	76	59	69	68	72
1892 *	67	84	68	73½	72	56	66	64½	68½

* For 10 months.

The table ends with 1892. Had we the statistics for the past two years they would show that not only staple commodities, but all properties, real and personal, have shrunk in prices relative to gold beyond that in any four years given in the table. Has not gold risen when it will buy from forty to seventy-five per cent. more property of every kind?

But there are those who insist that gold is the stable article and that everything else has fallen in price. The personal position and point of view produces this impression. A person rising in a balloon is carried upward so easily and so smoothly that he is not conscious of his own motion; the world seems to be slipping away under him. Those on the ground can clearly see that he is lifted above the earth by a great sack of inflating gas and that he is floating away from them. So the man astride a lump of gold feels that it is so solid and stable, it grows neither larger nor heavier, and he is so comfortable, and safe, and sure, and quiet, making no effort, that he has no consciousness of motion; the farms and plantations with their wheat and cotton fields glide away, the horses, sheep and cattle become mere specks under him; the whole earth seems to be sinking, and nothing but a collapse of the artificial support will convince him of his illusion.



GOLD RISES.

The inflating gas has been chiefly furnished by the United States.

HON. JOHN SHERMAN TO SAMUEL B. RUGGLES, ESQ.

HOTEL JARDIN DES TUILLERIES, May 18, 1867.

MY DEAR SIR: Your note of yesterday, inquiring whether Congress would probably, in future coinage, make our gold dollar conform in value to the gold 5-franc piece, has been received. * * * The time is now so favorable that I feel quite sure that Congress will adopt any practical measure that will secure to the commercial world a uniform standard of value and exchange.

The only question will be how this can be accomplished.

* * * * *

Our gold dollar is certainly as good a unit of value as the franc, and so the English think of their pound sterling.

As the gold 5-franc piece is now in use by over 60,000,000 of people of several different nationalties, and is of convenient form and size, it may well be adopted by other nations as the common standard of value; leaving to each nation to regulate the divisions of this unit in silver coins or tokens.

If this is done France will surely abandon the impossible effort of making two standards of value. Gold coins will answer all the purposes of European commerce. A common gold standard will regulate silver coinage, of which the United States will furnish the greater part.

Congress alone can change the value of our coin. I see no object in negotiating with other powers on the subject As coin is not now in general circulation with us, we can readily fix by law the size, weight, and measure of future issues. It is not worth the while to negotiate about that which we can do without negotiation.

In his report of November 7, 1867, pages 99 and 100, Mr. Ruggles said:

On all these questions the interests of monetary unification were materially advanced by the publication at Paris of the concise but admirable letter from the Hon. John Sherman, Senator in Congress from the State of Ohio.

Mr. Sherman quotes Mr. Ruggles' report in advancing a coinage bill June 9, 1868:

France, whose standard is adopted, makes a new coin similar to our half-eagle. She yields to *our demand for the sole standard of gold*, and during the whole conference evinced the most earnest wish to secure the cooperation of the United States in the great object of unification of coinage.—*Senate Committee Report, No. 117*, Fortieth Congress, second session, pages 4, 5, and 6.

"1. The rise in the purchasing power of gold, that is, the general fall in the price level of commodities, was predicted by the well-known monetary writers, Wolowski and Ernst Seyd, in 1868, before the introduction of the gold standard. Their prophecy was repeated later by E. de Laveleye and Carey. Even Dr. Bamberger said, in the session of the Reichstag, May 29, 1873, according to the stenographic report: 'On the contrary, gentleman, I fully agree with one of the speakers who have preceded me, that a greater demand for gold will result from our gold policy and the similar po icies adopted by other countries. Gold will then rise, and a consequence of our currency reform will be that prices with us, if we once go over to the gold standard, will decline.' Robert Giffen, recognized as one of the best authorities of the gold-standard party, declared in 1888: 'If events are the touchstones of prophecies, no prophecy was ever more certain than the increased dearness of gold. That the fall of prices throughout a compass so general as that in which we now see it falling is to be referred to an elevation in the purchasing power of gold is generally, and I might almost say universally, admitted.'

"2. The attempt to refer this lowering in the general level of prices to other causes, lying outside the coinage system, for instance, to cheapening and improvement in means of communication, to the perfecting of processes and machines for the production of goods, etc., must be considered a failure, for the reason that the same causes were present in the same strength during the twenty-year period before 1873, though at that time there was observable a gradual elevation in the prices of goods in general; while, since 1873, that is, since the beginning of the fall in the gold price of silver through the introduction of the gold standard in Germany, a sharp and permanent lowering in general prices has come in."—*Extract from the Declaration of the Bimetalists of the German Commission, 1894.*

STABILITY OF SILVER.

ARTICLE VII.

Stability is uniformity of value in relation to the various kinds of property, and staple commodities, and the necessities of life. Gold has parted from everything else. If silver maintains its relation to other commodities when it, itself, is merely a commodity, and there is no law to give it a fictitious value, it is a severe test. If the same weight of silver will purchase the same quantity of land and of staple articles since 1873 that it did before, then it is shown that it has, in itself, the elements of strength and that it has not derived its stable value from special legislation. It is a wonder that it has not gone down. What criminal has ever been pursued with such zealous and malignant fury, such thorough and complete conspiracy? What criminal has ever been followed with such relentless hatred? The energies of the entire money power of the world have been concentrated against it. Three of the largest and most important nations of the world, the United Kingdom, Germany, and the United States, struck it down and took away its money value and reduced it to the basis of spoons. But in the face of all this the purchasing quality of silver has remained more stable than that of gold.

Gold has rapidly gone up, but silver has remained nearly equal in its purchasing power, not-

withstanding all the mutations of mining and commerce and of good and poor harvests. All the statisticians and financiers of the world whose declarations are worth anything, put the criterion as to the permanent value of the precious metals upon their ability to purchase the necessities of life. Any other criterion is false. When you can take so much silver and buy so much meat, and so much bread, and so much clothing, and, although gold may go up, the ounce of silver still continues to buy the same quantity of meat and bread and clothing, it has not fallen. Silver has not fluctuated under this criterion of its power, and the tables of the most eminent statisticians show it. The price of silver and the average price of forty commodities of Sauerbeck's tables we give below; this shows how evenly has been the separation of silver and all commodities from gold. If the years 1893 and 1894 were added, though the decline has been marked in staple products, the same uniformity would be found.

The following table shows a comparison between commodities and silver, with gold prices :

Year.	Average of 40 commodities.	Silver.	Year.	Average of 40 commodities.	Silver.
1873	111	97.4	1889	72	70.2
1880	88	85.9	1890	72	78.4
1885	72	79.9	1891	72	74.1
1886	69	74.6	1892	66.8	62.7
1887	68	73.3	1893 (10 Mos.)	67.4	64.5
1888	70	70.4			

A table also is appended showing the relative prices of the two great staples, wheat and cotton and silver bullion :

AVERAGE PRICE OF WHEAT, COTTON AND SILVER BULLION, BY YEARS, FROM 1872 TO 1893.

Wheat.		Cotton.		Silver.	
1872	1.47	1872	19.3	1872	1.32
1873	1.31	1873	18.8	1873	1.29
1874	1.43	1874	15.4	1874	1.27
1875	1.12	1875	15.0	1875	1.24
1876	1.24	1876	12.9	1876	1.15
1877	1.17	1877	11.8	1877	1.20
1878	1.34	1878	11.1	1878	1.15
1879	1.07	1879	9.9	1879	1.12
1880	1 25	1880	11.5	1880	1.14
1881	1.11	1881	11.4	1881	1.13
1882	1.19	1882	11.4	1882	1.13
1883	1.13	1883	10.8	1883	1.11
1884	1.07	1884	10.5	1884	1.10
1885	.86	1885	10.6	1885	1.06
1886	.87	1886	9.9	1886	.99
1887	.89	1887	9.5	1887	.97
1888	.85	1888	9.8	1888	.93
1889	.90	1889	9.9	1889	.93
1890	1.08	1890	10.1	1890	1.04
1891	.85	1891	10.0	1891	.98
1892	.80	1892	8.7	1892	.87
1893	.62	1893	7.0	1893 (10 Mos.)	.75

The purchasing power of silver has been so stable that it is said the price of staples in the Chicago market for the last twenty years can be estimated from the prices of silver bullion during those years. Here is a rule by which you can generally estimate the price of any staple in any year since 1873.

Take the price of silver in 1874, the price of the staple in that year and the price of silver in any year since, and with the three factors make a sum in the rule of three, and the result will give you the price of the article desired for that year. For example: Silver averaged in 1874 in Chicago $1.27 per ounce. Wheat that year, according to the Chicago *Tribune*, averaged in that city 1.08\frac{3}{4}$ per bushel in

gold. Silver is now worth 62 cents per ounce. The problem then is, as 127 is to 62, so is 108.75 to the answer, which is 54 cents, the price of wheat in Chicago. It applies to all the products of the factory, the mine and the farm, and to the land itself.

That shows that as much as silver has been degraded it has lost none of its purchasing power, and in estimating the fall in prices that fact is worth more than any number of finely-spun theories.

The price of wheat in the London market is quite uniformly one ounce of silver for a bushel of wheat. The price of wheat anywhere in the world can be estimated from this, if we know the cost of transportation. The price of wheat in New York or Chicago, or any inland town, is one ounce of silver less the transportation to Liverpool. The price at any place in India can be found in the same way. They keep very close together in price, and if we depreciate silver we depress wheat also. Wheat is not declining in price now, because of the vast quantity raised, for the world's supply has been growing less and less for the past three years. We have made the price low ourselves, not by raising more than is needed, but by destroying as money its natural measure of value.

Cotton, wool and iron have shown the same tendency to keep close to silver in the range of their prices, though in all, silver has shown itself to be the stronger product, and has declined slightly less than they.

If we take the value of lands, the weight of silver that would buy the farm twenty years ago, will buy it to-day, and would have bought it in any of the years intervening. In nominal value they went

down together. Indeed silver has held its price relative to gold better than land. In any way we can view the position of silver, it has been firm. The distance between it and gold has not been increased more than the distance between the farms and plantations and gold, between the wheat and cotton fields and gold, between the iron and metal furnaces and gold, between the cattle, sheep, and horses and gold. Is not the change wholly in the rise of gold, while silver has remained as stable as the rocky hills in their relation to all around them?

As the prices of all properties real and personal have declined with silver, it is only the logical conclusion that it would lift all up, or that it would hold gold down, if it were remonetized at the old ratio. Gold was held down by it so long as it was attached, though restless as an anchored balloon, after we began to inflate it in 1867; it began to soar when released by our own act in 1873.

GROWTH OF WEALTH.

ARTICLE VIII.

SHY. When Jacob grazed his uncle Laban's sheep—
This Jacob from our holy Abraham was
The third possessor; ay, he was the third.

ANT. And what of him? Did he take interest?

SHY. No, not take interest; not as you would say,
Directly interest. Mark what Jacob did. * * * * *
* * * * * * * * * * * * * * * *

ANT. This was a venture, sir, that Jacob served for;
A thing not in his power to bring to pass—
But swayed and fashioned by the hand of Heaven.
Was this inserted to make interest good?
Or is your gold and silver, ewes and rams?

SHY. I cannot tell; I make them breed as fast.

—*Merchant of Venice.*

Few can realize our enormous increase of wealth since our beginning as a nation. The amount of property was then trifling, among 3,000,000 of poor people, compared with the estimates that are now necessary. The great public debt at the close of the war for independence was $42,000,000, and the debts of all the states about $21,000,000, so that the burden of debt, national and state, then, was not so large as the amount of gold it is now thought necessary for the government to have always in the pocket as loose change. From our poverty we gathered until in 1860, it was estimated that the wealth of all this great land would aggregate $16,000,000,000; but then rapid development began and an increase that in 1880 was estimated at $50,000,000,000, and this, notwithstanding the setting free of 1600 millions of property in slaves. We increased in population from 23,000,000 in 1860 to 62,000,000 in 1890. We suf-

fered a tremendous loss from the withdrawal of active producers north and south during the civil war, and the destruction of vast properties, yet in 1890 the estimate by M. Jennet is $70,000,0000,000 according to the old standard or base of value.

During this time there was a varying output of gold, averaging about $33,000,000 per annum for the whole period.

Silver was produced in a much less amount until the discovery of the Comstock lode, which has caused it to about equal in value that of gold. That is, while we were gathering from the forests and fields, and developing resources of every kind, increasing the wealth of the nation $50,000,000,000 in thirty years, $2,000,000,000 of this were found in the precious metals, which we use as money, in the arts, in ornaments, and in every way in which they can be employed. As a base of values for the vast increase in wealth both are inadequate. There must be a shrinkage in valuation to counteract the disproportion that is constantly increasing.

But the wealth of the world is increasing outside of our own land, but not with equal rapidity, though enormously. The wealth of the United Kingdom is estimated by M. Jennet at $50,000,000,000, and increasing at the rate of $1,000,000,000 per year; France $40,000,000,000. The wealth of all Europe is estimated at $200,000,000,000, and principally gathered since the opening of this century and especially during this closing half. The United States at $70,000,000,000. The wealth of the world is estimated at $500,000,000,000, and rapidly growing in all civilized lands.

We produce one-fourth of the world's gold and one-half of the world's silver. If we retain all our

precious metals for our own use a famine would ensue for them throughout the rest of the world.

Sir W. Petty estimated the entire wealth of England 200 years ago at £1,250,000,000. Two centuries have, therefore, increased it forty-fold, but the increase of the precious metals in the whole world is less than forty-fold in the 400 years since America was discovered.

The point especially to be impressed in this article is the potentiality of wealth to increase. M. Jennet quotes the elaborate calculation of an ingenious author to show that 100 francs ($20) accumulating at five per cent. compound interest for seven centuries would be sufficient to buy the whole surface of the globe, both land and water, at the rate of 1,000,000 francs ($200,000) per hectare (nearly 4 square miles). From this we can gather that $20 at five per cent. compound interest for 700 years would buy all the earth, mountains, and swamp lands, and water, at $80 per acre. The only difficulty in this accretion is to secure a debtor who will not die. Fortunately, we can inherit the property of our fathers, but we do not inherit their debts. We are born free as individuals. But national debts bind from age to age and are bequeathed by the fathers to the children and descend from generation to generation, like the debt of Great Britain for 200 years. Now if a nation becomes indebted, and that debt can be made permanent, then the accretion can go on without interruption.

It has been the policy of modern nations to incur debt. Few states are free. The state debt of Ohio is $6,000,000. Most cities and incorporated towns have debts of greater or less amounts incurred for public

improvements. They aggregate in Ohio $80,000,000. If these municipal, and state, and national debts can be made perpetual though at so low a rate of interest as three per cent. they will absorb the energies of the people, and, like a glacier grinding over the earth, will crush and level all beneath them.

If we express the world's indebtedness, the national debts, in the terms of our currency as near as we can reduce the currency of other nations to such an expression, we find the national debts as follows, in 1890:

Denmark	$ 33,004,722
Great Britain	3,848,460,000
United States	915,962,112
Germany	1,956,217,017
Austria-Hungary	2,666,339,539
France	4,446,793,398
Russia	3,491,016,074
Italy	2,324,826,329
Spain	1,251,433,096
Netherlands	430,539,653
Belgium	360,504,099
Sweden	64,220,807
Norway	13,973,752
Portugal	490,493,599
Greece	107,306,518
Turkey	821,000,000
Switzerland	10,912,925
These debts aggregate	$22,955,386,008

This does not include the debts of states and municipalities, of railroads and great corporations, which cannot be definitely known.

The whole annual gold product of the world last year was about $130,000,000, two-fifths of which is used in the arts, leaving only $80,000,000 to be used for money. And if this should all be applied to the

payment of the interest on the public debts it would pay but one-third of one per cent. The total product of the gold in the world for the past one hundred years is not in excess of 8,000 tons, or in round numbers $4,000,000,000 of money. Should the world continue to produce gold as it has during this century it would still require 600 years to gather the gold with which to pay the world's present national debts, by taking all the product, and over 800 years if we take out the usual proportion consumed for other purposes.

On a gold basis, the principals can never be paid, and if the interest even is to be paid in gold they will enslave forever those upon whom the obligations rest. An individual debt may crush the individual but it ends there. The debt of a nation enslaves the generations. Wise and patriotic statesmen would never incur a national debt that could be avoided, nor would they perpetuate a debt that could possibly be paid.

Five hundred and fifty millions of our bonds, now payable by their express terms in coin of standard value, will fall due in 1907, only 13 years hence. They are more than the half of our present national debt. If we do not restore silver as coin of standard value these bonds will then, by their terms, become payable in gold. They can be paid in coin, silver and gold, but we shall never be able to pay them in gold coin alone. It should be accumulating now. Unless silver is restored the holders of these mortgages will force a new mortgage upon the industry of the nation and dictate their own terms, and this burden will be perpetuated for generations.

THIS CENTURY.

ARTICLE IX.

A man now ninety-four years of age, who had the best early advantages, and retains his mental faculties in active exercise, recalls the beginning of almost everything that is valuable. We can scarcely believe there has been such progress in a single life.

His mother had no cook-stove, but hung the pot on a crane over the fire in the chimney. She groped through the house by the light of a tallow dip, though it was mounted on a silver candlestick. He keeps her spinning wheel as a relic, and also his father's sickle.

When seven years old he stood on the banks of the Hudson while Robert Fulton moved up the river with the new steamboat at the rate of five miles an hour. He afterwards heard Prof. Lardner explain the utter impossibility of crossing the ocean by steam; he remembers that the learned professor said the vessel could not carry sufficient coal to keep up steam. Now a floating palace crosses the Atlantic in less than six days.

He recalls the curiosity aroused among the farmers when he was a young man by the appearance of an iron plow. Strips of iron had been attached to those parts which naturally wore the fastest on the wooden mouldboards, but a real iron plow was an innovation such as startled all the agricultural community.

He was married and a father, and stood with his

own little boy, seven years old, and saw Peter Cooper's train, the first railroad train in this country, pull out from Baltimore to Ellicott City. Five years later it was rumored that one Cyrus McCormick had secured letters patent for a machine that actually would cut grain and grass and was operated by a team of horses; but it was ten years later before he saw the machine in successful operation in the field.

When in middle life he startled his wife by reading that sewing was to be done by a machine operated by the foot, for Elias Howe had nearly attained success in his invention, but the eyes of both required glasses, and their heads were well silvered before they were able to secure a successful machine for family use.

Friction matches were now introduced, but it was feared that evil-minded persons would terrorize their enemies by incendiarism, and that they could not be found out and punished.

Wonderful stories were told of the possibility of sending messages by an electric current in an instant, and small showmen traveled over the country exhibiting in halls and school-houses, by miniature batteries, the marvelous new force in nature that had been discovered. He was forty-four years old when the short but devout first message was sent from Baltimore to Washington, "What hath God wrought?"

Goodyear, of his own age, born in the same year in which he was born, was now also successfully experimenting with India rubber, and the overshoes were suggested, but the boots and mackintoshes were not brought into successful service until many years later.

Oil wells began to pour out their wealth, and pro-

THE OLD.

THE NEW.

"Out of the old house, Nancy—moved up into the new—
All the hurry and worry is just as good as through;
But I tell you a thing right here that I ain't ashamed to say,
There's precious things in the old house we never can take away.

"Fare ye well, old house! You're naught that can feel or see,
But you seem like a human being—a dear old friend to me,
And we never will have a better home, if my opinion stands,
Until we commence a keepin' house in the house not made with hands."

—*Out of the Old House, Nancy.*

duced the peculiar aristocracy known as "petroleum."

He has not yet come to understand Richard Hoe's invention. It is incredible to him that the paper the family receive before breakfast was printed this very morning. He was past three score and ten when the telephone and electric lights and motors were introduced.

He was born on the Atlantic coast and there remained until middle life, when he removed to be with his favorite son in a rising village called Chicago, on Lake Michigan. He saw this become a mighty city, and the center of the trade of great states, which had also arisen; but his favorite grandson removed to a village called Denver in Colorado in 1871, and with him he is spending his declining years, and this has become a great city also.

He has seen a great nation grow from a mustard seed to reach over the Continent and cover it with a gridiron of steel rails and string it with electric wires and fill it with homes.

When he recounts the improvements and wealth that have come in during his life he infers that he was born into a poor world. No cook-stoves, nor furnaces, no kerosene, nor gas light, not a farm tool used at present except the hoe and the wagon, which was heavy and clumsy; no dream of commercial fertilizers, no sewing machines nor typewriters, no rubber goods, few newspapers and fewer magazines, no railroads, nor telegraph, nor telephone, nor electric motors, no steamships and no commerce. Since he was in middle life the new Continent of Australia was settled and New Zealand and the Islands of the Pacific have been christianized and civilized. Japan

and China and Corea and all the East have been opened to commerce.

M. Chevalier estimated that the amount of precious metals in 1848 would be doubled in 1880. It was further estimated by Commissioners Browne and Taylor, who made their report to the Secretary of the Treasury, McCullough, that this would only have a favorable influence, as they express it, "no other effect than to vitalize commerce." These same Commissioners estimated that $25,000,000,000 of silver and gold would be required in 1900 to bear the same relation to the world's wealth that the precious metals did in 1848, before the discovery of gold in California, or Australia, or New Zealand.

No uninspired mind ever took in the possible growth in every line of human achievement that this last half of this century has actually seen, yet we are closing the century with but $10,000,000,000 of the precious metals, less than one-half the amount it was estimated the world would need, and we have set aside the silver, which is the one-half, leaving but $5,000,000,000, the one-fifth of the amount that was estimated the commercial world should need. If our base of measurements has thus shrunk up in comparison with our developed wealth, we can easily see how there can be no hope of an advance of prices but only positive and continuous decline.

If our wealth and commerce are increasing beyond all human conception, while the precious metals, both silver and gold, are proportionately declining, it can be readily seen that with silver discarded as a measure of values there must be an immediate drop of one-half in price of properties and then only a positive and continuous decline, without hope of relief.

GOLD SUPPLY.

ARTICLE X.

The Divine One, who was the inspirer of the writer of the book of Job, says: "Surely there is a vein for the silver and a place for the gold," and all human experience has confirmed this. Silver was found in veins in Attica and worked for ages, also in the Sierra Morena and followed for a mile and a half into the mountain. The Potosi vein in Bolivia was worked for a hundred years and was sunk to a great depth. The Valenciana in Mexico, that yielded so largely, was worked for ages. The richest vein ever opened was the Comstock, it being the marvel silver mine of the world.

But gold has been found mostly in placers. It has been upon the surface or in alluvial deposits. It has never been found in veins that it paid to work for long periods. Free gold is found in the beds of the streams in nuggets and scales, and small grains called dust, and in gravel heaps through which it is distributed in limited pockets. It is secured from these deposits by hydraulic mining, which is washing or sluicing the gravel and catching the gold in prepared depressions because it is heavier than any other substance. The free gold in these streams and alluvial deposits must have come from the corrosion during ages of the neighboring mountains. The veins in the mountains have been sought and found and worked, but have always proved a disappointment. An instance of

this is the Feather River in California, in whose bed so much free gold was found and the gravel beds worked down by hydraulic pressure almost ruined the farming lands and the towns below. And yet the efforts at reduction of the gold quartz in the mountains adjoining have been costly experiments to the numerous companies that have from time to time undertaken and abandoned it.

Gold, being mostly picked up on or near the earth's surface, is soon gathered. There is no gold collected in Arabia now, but there was a time when Strabo says gold was found there. Gold was found in Cornwall and Devonshire and Wales, but was soon exhausted, and almost every country has in its early discovery produced gold. When America was discovered, £52,000, equal to $200,000, was sent back annually for the first twenty-five years; almost all of this was gathered in South America. For the last 100 years very little has been found there. Gold was found in the early years of our republic in North Carolina and Georgia, and a branch mint was established at Charlotte. Some of the largest nuggets ever found anywhere in the world were found there, but all the profitable so called mining was merely the collecting of free gold from placers. When they were exhausted those states became unnoticeable as producers of gold. The same is true of Virginia.

When the great gold field of California was discovered, the gravel beds were dug out, the beds of the rivers were scraped and the dirt washed in a pan or on a shovel, and the free gold collected, and in such quantities, $65,000,000 in one year, as to lead narrow observers to believe

gold had become too cheap for money, and on the strength of the calculations of Chevalier, a theorist, Germany demonetized gold in 1857. But the river bottoms were soon cleaned of their gold, and the gravel beds exhausted, and the supply of that state has been steadily declining since; now only about $15,000,000 a year, $50,000,000 less than in 1857.

The Special Commissioners on the Mineral Resources of the United States, in their report in 1867, page 346, say: "The vast quantities of gold produced since 1848 are mostly from placers—from the detritus of auriferous rocks. These surface mines are soon exhausted. In California, notwithstanding the skillful application of hydraulic power, the production of gold by gulch or placer mining has diminished from $60,000,000 in 1853 to $20,000,000 in 1866. Except for new discoveries, and some successful enterprises of quartz mining, the Australian supply of gold would have likewise diminished. Very few diggings hold a mining population longer than a single season. The "dust of gold" is soon gathered. It may be admitted that Australia, Siberia, perhaps the sources of the Zambesi and the Nile in Africa, and north-west British America will, when further explored, reveal a great many districts where the surface deposits are rich and accessible; but each will be in turn a scene of great excitement and of rapid exhaustion, and, perhaps before the close of the present century, alluvial gold mining will be almost a tradition. This tendency is so apparent in every gold producing community that public attention turns constantly, and with solicitude, to the separation of gold from its native matrix of rock as the only permanent means of production.

But at that stage silver mining comes into successful competition with all existing methods for the reduction of auriferous rock."

New districts in our great territories have been explored and new fields discovered. The whole amount now gathered is about $35,000,000 annually. Australia was new, just entered in 1839, and gold was found in 1851, and great quantities were gathered, but the supply was limited and no gold vein for permanent production was discovered. The gold was in placers as in California. Gold was found in New Zealand in 1856 in placers, as in Australia and North and South America. The great Siberian gold fields are wholly placers.

The gold fields of South Africa were known in 1866, but have only recently come into production that has attracted the attention of the commercial world. They are isolated by long distances through malarial regions, and harassed by barbarous tribes, and their extent is not fully known. This, however, is true, that no profitable gold mining is discovered in a settled civilized community; that no gold region has continued to produce through long periods, that gold is found in newly discovered countries alone, that gold is picked up from the earth's surface, and has not been greatly increased by true mining. As the world is nearly all explored and its mountains and streams surveyed and mapped, and their geological construction examined, for even the islands of the seas have been carefully visited by civilized man and their peculiarities marked, it is reasonable to suspect that the gold of the world is well nigh gathered. The increase of product last year was from the wilds of Africa.

It is utterly absurd to think that this artificial demand created for gold will produce a supply. Will we scrape out the rivers again and re-wash the gravels? Will we invent and construct new machines for the reduction of hitherto refractory gold quartz and thus supply the demand? Where will we find the quartz? There is not known, and never has been, a vein of quartz or slates, that for the gold alone, aside from the silver, would pay for the erection of such a modern plant and its operation. If such veins exist, scientists would welcome the information, and geographers would gladly mark their localities.

The conclusion is irresistible that the amount of gold in the world must not only grow smaller in proportion to the world's wealth, but that it must soon begin actually to diminish. It cannot now be increasing. The amount produced has been diminishing annually for twenty years, while the amount consumed was never before so large, and is increasing. Gold has always been used in dentistry. It has been found in the teeth of mummies brought from Thebes, and thousands of Egyptian mummies have been found treated in the same manner, but its use has greatly increased in these later years; (Hist., Den. & Aral Sur. S. S. W.) and now 15,000 dentists, in this country alone, are daily digging into old teeth, and burying $5,000,000 of gold each year that has no resurrection. Gold rings and gold watches are worn out or kept as heirlooms. Gold plating and many combinations in the laboratory destroy it. Even the coins wear out. The reason given why gold coin is always exported direct from the United States treasury is that the new

coins are of full weight, while those which have been in use are worn; and as in foreign exchange they are always taken by weight, as bullion, there would be a loss from the worn coin. If production continues to decrease and the consumption continues to increase, those who are alive at the close of the twentieth century will find gold only a memory. The grandmother's wedding ring and the grandfather's gold watch may be invaluable.

The amount of gold in the world is far less than usually thought. The highest estimate of the production in this century is 8,000 tons, and the amount remaining from the preceding centuries 2,000 tons, making 10,000 tons in all. The amount consumed in the arts is estimated variously from one-fourth to three-fifths—call it but one-fourth, and we have remaining 8,000 tons. One cubic foot of gold weighs 1,200 lbs., and 8,000 tons is 16,000,000 lbs., this makes 13,333 cubic blocks, and these piled up make a pile 30x25x20 feet, the size of a small house, not so large as a farmer's horse barn. This is not at all likely to increase. The production is decreasing while consumption is increasing. This is the size of the lump of yellow metal upon which the growing commerce of the enlarging civilized world is endeavoring to balance its monetary interests.

The most of this, however, is piled up in the Bank of England, where the reserves of all the banks of England are kept. This bank is an independent corporation, not inspected by nor compelled to render an account to the English Government. The Board of Directors is composed of twenty-six members, who elect their own successors and thus are entirely independent. In this Board are represen-

tatives of the Rothschilds, who are regarded technically as capitalists, and placed in this position of power above the common bankers, who are not eligible to the position of a Director. This Board presiding over this pile of gold has more influence on the commercial world than the British Parliament, and their acts affect more seriously the destiny of the people of the United Kingdom and of the world. It is well understood that William was held on the throne and that the Whigs were held in power by this bank. The fascinating story of the establishment of this Bank, as told by Macaulay, is familiar to all students of English History, and now the destiny of the Kingdom is more in its hands than ever. The Directors are carefully watched and their meetings are of great importance. They meet once a week at 11:30 a. m. Their usual session is about two hours. If they should remain longer, reporters would begin to gather around the doors to catch the first hint of what unusual was occupying their attention, and if they should remain in session four hours there would be a financial panic; so delicately are the commercial interests of the world now balanced on this narrow base, and controlled by an independent Board. This Board is composed of men, not angels, and they act like men for their own and their own country's welfare.

Is it the part of an independent and free people to permit our financial interests to be thus imperiled? While a good Providence had given us the silver to free us from the domination of gold, and which practically enabled us to control the silver trade of the world, we threw away our opportunity, and bowed before this idol. Now that our mistake is clearly seen, it is certainly the part of wisdom to restore again silver to its proper place, the place which it has held as money in all history.

SUPPLY OF SILVER.

ARTICLE XI.

Silver is mined. There is no free silver lying over the earth's surface to be picked up, though sometimes blocks of a 100 lbs. weight or more, quite pure, are found imbedded in the silver bearing quartz. Silver has been produced the world over, and from mines that have been worked for ages. Yet silver has rapidly disappeared when the mines failed. When the Attica mines failed, silver soon became scarce in Greece, and Solon reduced the size of the drachma one-third. In the years of the Antonines, Rome had £380,000,000 in money, yet 400 years later this was reduced to £46,000,000, and the silver coins were reduced one-half in weight. All the rest was lost or consumed. At the time of the discovery of America, the supply of precious metals was very low. The American Encylopedia says that the combined value of the gold and silver was not to exceed £34,000,000, or $170,000,000 in all the world, and commercial and financial distress was everywhere. Since that time reliable approximate estimates have been made. Von Humboldt, than whom there is no higher authority, estimated that the whole product of silver in the world from the Discovery of America to the opening of the present century was $4,356,000,000.

The production of silver during this century, according to Dawson, who estimates from 1800 to 1848, and of Prof. W. P. Blake in his "Report on the Pro-

duction of the Precious Metals," from 1848 to 1868, and of the Reports of the Mints to the present, has been $4,000,000,000 more. The grand total of the world's product for the past 400 years is about $8,350,000,000. But out of this the world has been consuming for all these 400 years. Rome consumed £325,000,000 in that period when the world was small and commerce meagre. The first $4,000,000,000 was mostly transported to Europe to meet the famine for precious metals there prevailing, and so needing it that it required fifty years to make a noticeable rise in prices. It is safe to deduct as consumed, $3,350,000,000, leaving as the present value at the ratio of sixteen to one, $5,000,000,000, and this is a liberal estimate of the world's supply to-day.

It is interesting to note how the great productive district moved northward until it was in the United States. For the first 300 years after the discovery of America, the mass of the world's product was from Peru and Mexico, $4,100,000,000, and $200,000,000 produced in all the rest of the world. No silver was as yet produced north of Mexico. From 1800 to 1848 Peru and Mexico produced $1,244,000,000, and Europe and Asiatic Russia $325,000,000 ; nothing yet north of Mexico. From 1848 to 1868 the production of silver in the United States is first noted. Peru and Mexico $380,000,000, the United States $73,000,000, Australia $20,000, Europe and Asiatic Russia $160,000,000. From 1868 to 1873, the United States takes the lead with $162,000,000. Mexico $140,000,000, South America $56,000,000, and all the rest of the world but $62,000,000. In the particular year 1873, when silver was demonetized, the United States came easily to lead all the world in this product. The following estimates are

from the best available accounts from all the countries named : Great Britain and Colonies, $1,000,000; Sweden and Norway, $250,000 ; Russia, $500,000 ; Austria Hungary, $1,600,000 ; German Empire, $3,000,000 ; France, $2,000,000 ; Spain, $2,000,000 ; Italy $500,000 ; Mexico, $20,000,000 ; Central and South America, $8,000,000 ; Canada, $900,000 ; and the United States the grand lead of $36,000,000. That year should have been regarded with pride and comfort.

Since 1873 to the present, we have produced $900,000,000. In one year, 1878, producing $95,000,000, the highest ever attained. The lead in this product is easily with us now.

From the beginning of our existence as a nation to the year 1850, we bought and imported silver for our coinage, $25,000,000. A silver mine would then have been regarded as a great national blessing. During the same period we had coined $100,000,000 in gold. From 1850 to 1873 we coined $750,000,000 of gold, and about $100,000,000 of silver. From 1873 to 1893 gold has decreased twenty-five per cent. in product, while we have the grand lead in the production of silver ; but silver is demonetized and as money is of no more value than paper.

Silver through the ages has held a variable ratio to gold. M. Leon Foucher says silver in the very early ages was sometimes worth more than gold. In Egypt, in the age of The Menes, the ratio was 2½ to 1 ; 500 B. C., the ratio was 6 to 1 ; in the time of Xenophon 10 to 1 ; in the sixteenth century 11 to 1 ; in the seventeenth century 16 to 1 ; the eighteenth century 14 to 1 ; the nineteenth century the authorized ratio over Europe 15½ to 1, in the United States since 1834, 16 to 1. This ratio holds the metals as

about equal in value in the average of a long period of 100 years. Silver was worth more than gold by this ratio, the larger part of this century but would have closed about equal had there been no adverse laws.

There is no reason to suspect that this temporary output can be continued. The mines in Attica, in Potosi, and in the Sierra Morena Mountains, and in Valenciana, and thousands of others, have become exhausted without causing a surplus. Take the world's silver to-day, 130,000 tons, one cubic foot of silver weighs 656 lbs., and the number of cubic feet is in round numbers 400,000. These if placed in a rectangular heap would make a solid pile 200 feet long, 100 feet wide and twenty feet high, and would represent in value, at the ratio of 16 to 1, about $5,000,000,000, about equal to the world's heap of gold. The two together, $10,000,000,000, the whole metallic base of the two precious metals for the whole world's commercial transactions.

While the center of the gold pile is in the Bank of England in Lombard Street, the center of the silver interests would remain with us, not from any effort or intrigue on our part, but because "God and Nature hath put it in our power." This could be used to steady the monetary world and protect ourselves and all mankind against financial oppression.

If it were possible to gather together all the silver we have produced, and offer it for coinage, and it should be changed into money, it would add nearly $1,000,000,000 to our currency; or it would replace the 350,000,000 greenbacks for which there is no metallic base, and never was any except the government credit, and would replace the $125,000,000 bank note

circulation based on the government credit, and also supply the $400,000,000 the National Banks are now authorized to issue but will not, and every dollar of the currency would have the metallic basis, so anxiously sought for, during the years immediately following the close of the civil war, but the anticipated benefits of which were utterly destroyed by the act of 1873.

While our silver would accomplish this, if retained with us, we have one-half the world's supply, but we have only about one-eighth of the whole world's wealth. We cannot retain all we produce. The nations must come bending to us for the purchase of our silver, upon which we can place the price of 16 to 1 of gold, and there is no avoiding the payment of the price. We have a corner on the metal. Can we not see our advantage? Silver is not filling the world. There is no silver to come here from Europe. There is less in Europe than they need. Will they ship coals to Newcastle ?

MINES AND PROSPERITY.

ARTICLE XII.

There is a coincidence in the rise and fall of mining interests with the rise and decline of prosperity and power among the historic nations that may well receive our careful and thoughtful study. This coincidence indicates a law constant in its operation through the ages. If the reasons are difficult to find, the facts of history cannot be successfully denied. The student of sacred history cannot fail to note that the glory of Israel under Solomon, in that period of grandeur to which the Hebrew mind always turns as the acme of earthly greatness, was due to Ophir, from which gold and silver were gathered until they became common in the streets of Jerusalem. When that source of wealth was exhausted the taxes became burdensome, and a spirit of discontent took possession of the people, and they were loud in their complaining, but did not dare to rebel during his powerful reign ; but he was scarcely in his grave until Ephraim with the ten tribes arose and resisted, and the Kingdom became divided and the glory of Israel departed forever.

The Athenian power arose contemporary with the successful working of the Laurian silver mines on the promontory of Attica, which were supposed exhausted before the Christian era, but have recently been revived by private parties, in 1863, and operated with such success that they were reclaimed by Modern Greece in 1873. These mines fitted out the naval

force of Themistocles, and enabled him to meet the enemy by sea and land. Xenophon says that these mines were continually increased, as new spots of ore were from time to time discovered, and that this gift of heaven was in Attica alone. The silver was current in commerce everywhere, and while the supply came from the mines in the mountains, their trade was large with every land, but when the mines began to fail and the coin drained away, her supremacy began to decline, and when these resources failed utterly, her power vanished.

The ascendancy of the Roman Empire was made possible by the mines they worked along the Pyrenees and in several provinces touching the Alps, so that the Empire expanded, and her vast enterprises were made possible. The greatest wealth was the period of greatest prosperity. The Roman Empire practically covered the world; then her mines were neglected and abandoned, the most were exhausted, and for centuries there was no appreciable addition to the precious metals. The coins were worn away, or lost, or hidden, or consumed, until not over one-eighth of the former amount remained. This contraction paralyzed every enterprise. The revenues failed, because neither debts nor taxes could be paid. This destroyed the armies. Alchemists struggled to transmute the baser into the precious metals, but without success. They sought diligently, but in vain, for the philosopher's stone that should transform whatever it touched into gold. The people lost their ambition and energy and hope, and the world sank into the commercial torpor and intellectual and moral sleep of the dark ages. This is well and fully expressed by Mr.

Franklin H. Head in a recent article, as follows :—

"Concerning the disaster following a contraction of currency, and the beneficent effect of its expansion, history offers instructive lessons. Allison has shown that the two most momentous epochs in the history of the human race and its civilization, the fall of the Roman Empire and the birth of the modern civilization, are the direct results of the contraction and expansion of the circulating medium. The power of Rome was the greatest in the age of the Antonines, when the victories of her legions, and the wisdom of the Emperors had given peace and security to 120,000,000 of people, embracing the greater proportion of the then known world. At this time the gold and silver coinage of the Empire amounted to £380,000,000. Simultaneously with this imperial dominion, when the Roman civilization had absorbed into itself, and made its own, the achievements of all the foregone ages and peoples, and when almost universal peace seemed to assure to the Empire a career of unending progress and glory, came the exhaustion of the mines of Spain and Greece, whence had come the principal supplies of the precious metals for the ancient world. By the time of the Emperor Justinian, from abrasion and loss, and from exportation of coin to Africa and the Orient, in settlement of trade balances, the coin in circulation was reduced to a nominal value of £80,000,000, although for purposes of comparison it was really about £46,000,000; the golden aureus—its debt-paying value remaining the same—having been reduced from 118 grains in weight to 68 grains. This indicates a total reduction in the currency to nearly one-eighth its former volume. During the period of contraction the prices of labor and commodities had shrunk substantially in the same ratio, since there was no proportionate reduction in population or the number of transactions ; and, as a result, the pressure of debts and taxes became so overwhelming that national industries were ruined, agriculture

was prostrated, and labor unrewarded; revenues were irrecoverable, and the famed legions dwindled to battalions, and battalions to cohorts, wretchedly paid, and, therefore largely recruited from the swarms of tramps who infested and dominated the imperial city. No language can exaggerate the wretchedness of the Roman people, brought on by the contraction of their currency, of their consequent loss of public spirit and patriotism which rendered the destruction of the Empire an easy task for the northern barbarians. After the destruction of the Empire came the long period of intellectual and moral night. No increase was made for ages in the production of the precious metals, and the dawn of modern civilization came only after the voyage of Columbus had opened the mines of Mexico and Peru to European enterprise. The production of the precious metals was at once trebled; the prices of all commodities were correspondingly increased; learning, the arts, industries and commerce revived with the influx of gold and silver; and the dawn thus heralded led on to the effulgent glories of the present age, to the crowning triumphs thus far made by man over the forces of nature.

It has been common to refer the fall of the Roman Empire to its vast extension, to internal corruption, and to slavery, but it was most prosperous and enlightened when its territorial area was greatest; it was no more corrupt than 400 years before, when Sallust waxed eloquent over the decadence of public morals; and slavery was not confined to Rome in that age, but was universal. It was not the lack of bravery in the depleted legions, but the lack of means efficiently to maintain them, which led to the extinguishment of Roman civilization. Similarly, it is to the revival of classical learning that the Renaissance is most often attributed, but this is an effect and not a cause; the cause was the increase of money and in the prices for labor and commodities, which freed mankind from the bondage of

universal poverty, and allowed their thoughts, ambitions, and efforts to rise to the loftier fields of human achievement."

Pliny says Hannibal received 300 lbs. silver daily from mines in Spain at Guadalconal in the province of Cordova. He tunneled $1\frac{1}{2}$ miles into the mountains, and while he held and operated them with success, his power did not fail. This explains the secret in his brilliant history that otherwise is not easy to understand. Those mines have long been exhausted.

The real greatness of Spain began with the marriage of Ferdinand the Catholic, with Isabella of Castile in 1479 ; the Alhambra was taken in 1492 and the Saracen power that had held control for seven centuries came to an end forever, and for a century the star of Spain was in the ascendant.

Coincident was the discovery of America by Columbus in 1492, who had been fitted out by the Queen's pledged jewels, so poor was the kingdom. This brought in more precious metals than had been added to the commerce of the world for a thousand years, rated by Humboldt at £52,000 sterling per year in the following twenty-five years. Then came the constant stream of silver and gold that for 300 years was equal to three times the product of all the old world. Then began the revival of hope and learning, and letters and virtue. The darkness of the ages began to disappear and a brighter day began to dawn. Had it not been for the riches of the new world, the ignorance, poverty and vice of the old world would have been continued.

The awakening in this century has also been coincident with the largest production of the precious

metals. The settlement of Australia and New Zealand, and the discovery of their gold in 1851 and 1856, and the marvelous development of the gold mining in California seemed fabulous. The race had never experienced the like before, and the rush forward in every line of human achievement has been without a parallel in all history. Gladstone has said that the first half of the nineteenth century produced more for human welfare than all the preceding centuries of the Christian era ; and that the first twenty-five years of the second half produced more than the first fifty years.

The most rapid progress and the greatest attainments are in our own country, where the richest and most permanent mines have been worked. The product of gold decreased, but the product of silver was so great as to nearly or quite keep the aggregate product up to the average of the best decade. Our mining interests were the strength of our armies in the civil war, and gave us credit when otherwise we should have been prostrate.

After the war we were paying our debt with a rapidity that surprised all Europe, but in the height of this prosperity, when we were the principal producers of silver, fifty-seven per cent., and also produced one-fourth of the world's gold, by our own act the silver mining interests were paralyzed. The expensive machinery was left to rust and crumble. Such has not been the policy toward their mines of any historic government. The mining interests were guarded. All mining property of coal and iron and common metals were usually owned by private parties, but mines of silver and gold were the property of the State. This was true of the mines of

Britain until the time of William and Mary. It has always been the policy to defend and protect them, as they are the point of attack and the desired objects of possession by an enemy. This is true from the time of Shalmaneser, who looted the rich cities of the plain, but whose chief object was the mines or sources of the precious metals in the regions south and west, which Straub said formerly, but not now, produced these metals, down to this day when the speck of war in Africa is over the gold mines, made more profitable by the effort to exalt gold as the only base of values for the whole world.

Such an anomaly as a nation not fostering and prizing and defending its own mines of the precious metals has been reserved for us to present.

The government struck a suicidal blow against herself when she demonetized silver and closed the mines of the Rocky Mountains. They should have been protected and encouraged. If the history of other nations is prophetic of ours, our decline will be dated from the decline and fall of our mining interests. Have we entered on our decline? and have we set the date of that decline by our own act?

PROFITS OF MINING.

ARTICLE XIII.

The profits of mining either silver or gold or both are greatly exaggerated. There are occasionally great gains, but there are also constant losses. The deposits of both metals are limited, and often suddenly become exhausted after great preparations have been made for mining operation. No gold vein, profitable to work a long period for the gold alone, has ever been found. For the silver, and what gold is connected with it, veins have been worked with varying success for ages. Mining, however, is much like a lottery. There are great prizes but many blanks. The occasional great prize lures the miner on and fascinates him. The losses are not reported. Many think more money has been spent than gained, that there is on the whole, a loss to the world on all the precious metals produced. The report of the Commissioners on Mining, 1867, page 53, says :

"Auriferous quartz lodes having paying quantities of metal occur only in spots or streaks. The law of the distribution of the precious metals in veins is yet unknown. The quartz may be traced for miles, but only here and there it will pay to work. No mineral lode anywhere is worked, I believe, with much profit for more than two continuous miles, and it is seldom that the pay-rock extends more than 1000 feet along a vein. The great quartz lode of Mariposa, called sometimes the mother vein of California, has been traced, it is supposed, for thirty miles or more ; at least croppings of a large lead of the same quantity or quartz, nearly in a straight line, are seen at vari-

ous points between Bear Valley in Mariposa county, and Angels, in Calaveras county ; and it is assumed that these croppings all belong to the same lode. In some places this vein is very rich, but the rich spots are not long, and are far apart, and in the intervals the rock is nearly or entirely barren. The miner may find quartz containing $10 to the ton, and he knows if the supply is abundant he may make a fortune from his claim ; but to explore the lode requires a large capital, and there is no certainty of a return. The rock is too poor to work without a mill, and there is not enough in sight to justify the erection of a mill. If he takes the risk and the pay-rock is soon exhausted, his mill, in that position, becomes worthless, and he loses the cost of all his frame-work, roads, and ditches, which with the transportation is frequently greater than the cost of the machinery proper.

There is again, a great diversity in the facilities for quartz mining at different places. The farmer or the manufacturer usually goes into a level country with open roads, and after ascertaining the distance to the market and the cost of transportation he can decide whether he can afford to go into business. Perhaps he would find fifty places within a range of ten miles, all equally good for his farm or his factory. But with the miner the case is different. The mines are usually found in the mountains, where there are no roads, water is not conveniently accessible and wood is scarce. The rock in one part of the lode is hard, in another soft ; in one there is much sulphuret of iron, in another little. It is relatively cheaper to work a wide streak of pay-rock, other things being equal, than a narrow one. The mill may be far or near ; it may be above the level of the mine, or below it ; the water for washing the pulverized rock may be obtainable for only part of the year."

There are improved mining machines, but the expenses are so much the greater and the losses so

much more severe, that the gain is but little in the aggregate. The veins are mostly located in all but inaccessible localities and roads and railroads, if extensive, must be made, and then after reduction works have been erected at infinite pains, the vein may prove too poor to work, or the ores become refractory and resist the known methods, or the pocket be disappointingly limited, and often the plant itself is unsafe from the very wildness of the surroundings. The product of the quartz mines of the West were found by the commissioners to be about three dollars per day per man employed, while the placer mines of Carolina and Georgia yielded only from ninety cents to two dollars per day. When the difficulties are carefully studied and the small average profits are noted, the mining industry as an occupation does not look attractive. A great fortune may be gained, but the probability is unspeakably greater that both capital and labor will be lost.

EFFECT ON CHARACTER.

ARTICLE XIV.

The effect of this depreciation of property and falling values is unfortunate to the last degree in its effects upon the character of the people.

The spirit of enterprise is destroyed by it. No man is willing to engage in a new undertaking when he has every reason to believe that the prices on which he bases his estimates of success are unstable. He will not invest in a manufacturing plant that will be worth less than the cost. The money must be worth more in the plant than in the vault, or there is no object in its construction. He can estimate the cost of his goods to-day, but there is no assurance that he can secure the prices of to-day when they come upon the market in the future. This depreciation has also made customers unreliable, so that great caution is required in the sale of goods. They must now be sold on short time and to responsible parties. It is not safe for either a manufacturer or a dealer to have a large stock of any line of goods. Only a hand to mouth trade is safe. A man who has the money and wishes to buy a farm, will not purchase on a declining market. He can keep his money in his stocking until another year, and buy a better farm. A man with $10,000 ten years ago, which he wished to invest in a farm, kept it in his strong box until now. He can now buy two farms with the same money, each of which is equal to the one farm he might have bought ten

years ago. Had he invested, there would have been to him a positive loss of one farm.

The man who bought a farm for $10,000 ten years ago, and paid the half, $5,000, and secured the rest by mortgages, after struggling these ten years to pay the interest upon this and keep up the improvements, now finds he has given away his $5,000, and has given also the labor of ten years and yet owes for all his farm to-day. He could buy it, or another equal, for the amount remaining unpaid. This is so true in all the productive industries that men will not buy, they will not build, and they will only operate in a limited and guarded way. The spirit of enterprise is being crushed out. The most useful and pushing men in the communities are those that are suffering. The money lenders, not the money users who make it productive, are the favored in these times.

Industrious habits are not encouraged. There must be hope of reward. There may be industry and slight reward, but when the diligent and laborious work day by day brings no return to the workman, the spirit of the slave is begotten and indolence follows.

These times of depreciation are destroying thrift. The want of this grace has been charged against a certain class of drinking workingmen for years, but these times have discouraged those who were struggling to accumulate property and secure a home and a competence for declining years. In all our cities we find a class of intelligent and worthy people, who, encouraged by the offers of building associations, bought homes of their own on weekly or monthly payments, and were saving all they pos-

sibly could to meet those payments. They dressed plainly and deprived their tables of every luxury that they might thus secure a home of their own. Many after paying for years are compelled to give up the home and now have nothing. Others are yet struggling to hold what they have labored so long to secure, and yet know that the depreciation of their home is such that they could buy its equal to-day for what they yet owe. The impression is strong with them that they have saved and denied themselves for years for nothing. "Why not live to-day up to this day's privileges and enjoyments? Why did we not enjoy our income when in our hands?" They feel that they have saved for the enjoyment of a to-morrow that never came. It will require years before hope and confidence and courage with these people will revive, so that they will again enter upon a life of careful saving economy.

In the history of our race ignorance is associated with poverty and renaissance of intelligence comes with wealth; declining prosperity deprives of the opportunity for intellectual culture, and unremitted grinding tasks make men brutal. With us the opportunities of wealth for intellectual culture are brought to every child's door. The free schools with apparatus for illustration and competent conscientious teachers, are open to all, and in most states compulsory. Free libraries and open churches will counteract in part this tendency, but the influence is felt as a hindrance to intellectual growth, especially among those who have passed from competency to poverty.

These times of depreciation are degrading the morals. Men are said to rise the highest where the

conditions of life are the severest. This depends upon the character of the conditions. When they are those of nature, as a severe climate and a sterile rocky mountain soil, while he is as free as the air that plays among these rocks, the rugged conditions of nature bring out the highest and best that is in him. When the struggle is not with nature but with masters, the lower qualities soon come to dominate.

Injustice resisted makes men strong, but injustice helplessly endured grinds out all that is noble in thought and life. A respect for the laws of both God and man declines.

It is a wonder among many good people why these times have not made better men. "These light afflictions, which are but for a moment, work for us a far more exceeding and eternal weight of glory," is the divine assurance. We would not for an instant doubt that there is a purpose of love and blessing in every trial and sorrow of life. But we must remember that the divine ordering of suffering is often to lead us to the removal of the cause and thus bring to ourselves the blessing. The pain in the corn is to compel you to remove the irritating pressure and bless your own foot. The severe pain in the tooth indicates disease and drives you to the dentist for cure and relief. The slavery of Egypt was made very severe that the Hebrews might be driven to throw off that bondage and become the Lord's freemen. These times are severe to open the eyes of the sufferers to see the wrongs to which they have been submitting, and to lead them to seek deliverance.

The leaders of the moral and spiritual forces

must not be content with platitudes about the mysterious afflictions of divine goodness and mere exhortations to meek submission, but they must study to discover and correct the wrongs without fear or favor. If they are wanting here, they come under suspicion and distrust of unfaithfulness to truth and righteousness, and their influence is resisted. The pulpit should not be made a platform from which to lecture upon the function of money, but there should be a clear and full exposition of the wide sweep of the plain old command, "Thou shalt not steal."

EFFECT ON NATION.

ARTICLE XV.

The effect of the demonetizing of silver on the government itself is such as to alarm every thoughtful patriot.—The silver and gold combined are not a full metallic basis for our currency. Were a gold or a silver dollar to be demanded for every dollar of our present currency, every grain of gold, and ounce of silver, coined into 412.5-grain dollars, would be taken, and yet there would remain $500,000,000 of currency for which there is neither silver nor gold to redeem, but for the redemption of which the credit of the government is pledged, and to meet its pledge fully it would be compelled to buy that amount of either gold or silver.

With the present standard, gold may be demanded for every dollar of the present currency. Every dollar calls for 25.8 grains gold. Now if this demand is made, and the currency is being presented every day and gold demanded, then after the present small supply of the yellow metal is exhausted there will remain $1,200,000,000 of currency for which there is no gold.

If all the silver bullion in store were sold for gold, and paper dollars substituted for the silver now coined and they then sold as bullion for gold, there would remain not less than $800,000,000 for which there is absolutely nothing but the pledge of the government.

An increase of currency only aggravates the

situation. Coining all the silver bullion in the treasury into full weight 412.5-grain dollars, will merely increase the strain on the credit of the government which is pledged to make every dollar equal to 25.8 grains gold.

The so-called gold reserve dwindled away and bonds have been sold to buy a new supply of gold, and this also is rapidly disappearing, and may entirely disappear any day. There are outstanding $66,000,000 of gold certificates which were in general circulation, but have now all been gathered up by the national banks (see last statement of the national banks) and can without an hour's notice be presented for payment and sweep the treasury clean of its gold.

Those in authority, who are anxious to maintain this gold standard, desire to issue all the bonds necessary to buy sufficient gold to maintain payments on this basis. To meet this condition fully it may be necessary to buy 25.8 gold to redeem every silver and paper dollar and bank note and silver certificate. This will require about $1,200,000,000 and double our present national debt.

The product of our gold mines is $30,000,000 to $35,000,000 a year. To replace our present currency with gold would require all the product of our mines for 30 years, and pay no interest ; but the annual interest would be equal to our annual product, leaving nothing with which to reduce the principal. The whole world produces only $130,000,000 a year, so that to supply gold for every dollar of our present currency we should be compelled to buy all the gold mined in the world for ten years and pay no interest.

But about two-fifths of the gold is used in the

arts, so that to meet this obligation, interest and all, we should be compelled to buy all the gold available in the world during at least this generation. This purpose, in its last result, can only bring national financial ruin. The most favored nation under the sun cannot escape.

The owner of an immense elevator is receiving grains, wheat and corn, and giving certificates to return either grain on demand. He accumulates a vast store of both grains, for all of which he has given certificates, and besides to meet an emergency he has issued 300,000,000 certificates for which he never had any grain. In an hour of hope and confidence, and at the suggestion of a sly old rival, he determines to give wheat to all who return their certificates, and makes a public pledge to that effect.

He has not corn and wheat enough combined to meet his promises, yet when the calls come, and they come rapidly, he draws from the bin of wheat until he sees the bottom. He gives wheat to the parties from whom he received corn. His credit is at stake and he resolves to meet his promises and maintain his honor. His other bin is bursting with corn, but he disdains to fill certificates with that grain. It is common. It mostly grows in his own familiar valleys and is raised by some of his neighbors whom he does not wish to favor. He mortgages himself to buy wheat to pour into the bin from which he is constantly drawing.

The end must come. His credit must fail and his financial ruin ensue, to the profit and amusement of the sleek, fat rival. In order to avoid disaster he must sacrifice his pride and stop the pur-

chase of wheat on credit, and to fill his certificates he must tap the corn bin.

The only safe course for the government is to settle, here and now, that not another interest-bearing bond shall be issued to buy gold; that silver shall be remonetized, 412.5 grains a dollar, and the vaults containing the millions in coin and in bullion shall be opened to meet the demands which can yet all lawfully be paid in silver.

INTERNATIONAL AGREEMENT.

ARTICLE XVI.

During the first 50 years of our history, silver was not named among our products. We bought and imported what we coined. A silver mine in our own territory would then have been regarded a great national blessing. During these later years we have been successful in discovering rich mines in our own territory and have increased our output until we produce over half, 57 per cent., of all that is mined in the world. We have piled it up in our vaults and have become the largest owner of silver bullion. It is confidently asserted that we cannot remonetize this without a conference and an agreement among commercial nations.

There are some considerations that should dispel this error, and can scarcely fail to do so, when they have thoughtful attention.

No monetary conference has been held in the interests of silver or of the people. We have asked for such a conference three times and have received no attention. It is well understood that a monetary conference to consider this question with reference to the welfare of the people, whether their best interests require the use of gold or silver or both, cannot be gathered. Every conference held has been dominated by financial houses that sought their own profit, and the increased importance of their own gold. A majority of those composing the Brussels conference were bimetallists. Six of the

twelve English delegates were bimetallists, yet the gold basis supporters broke it up without favorable action.

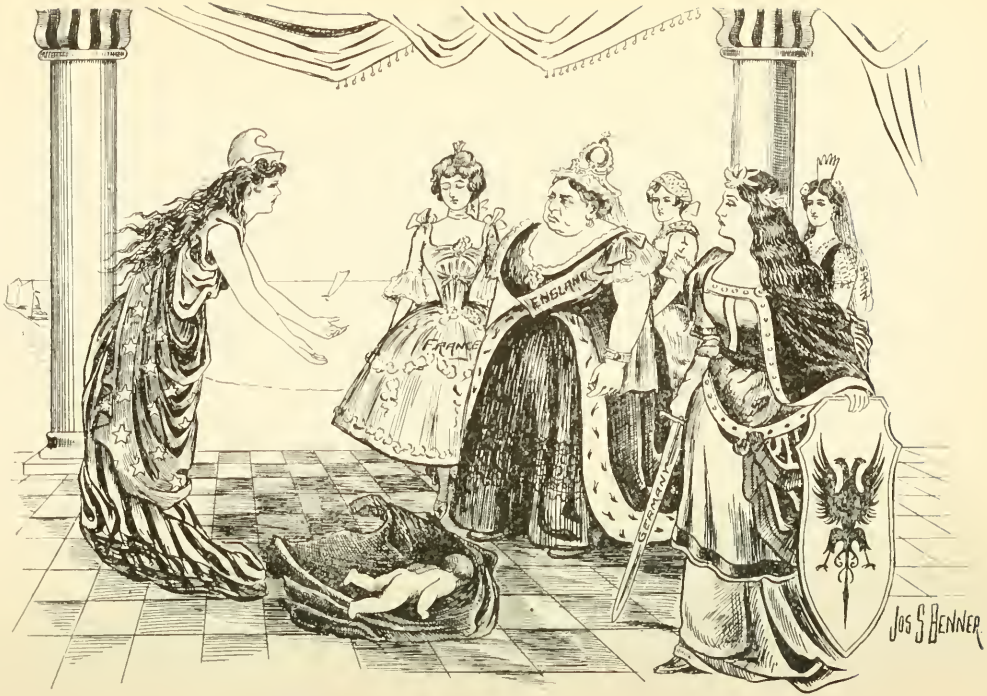
M. Rothschild, of the Bank of England, had a leading part in the Conference. He commended gold because a large amount of value was in a compact form and could be handled much easier than a large bulk. He said "his house" often transported in exchange, at one time, several hundred pounds sterling, and a larger bulk would be inconvenient. The question as to the removal of a million of dollars, by a hand-cart or a dray, is trifling, when the financial interests of all the world are under discussion. This is mentioned because this argument of M. Rothschild is given the first place in a circular, advocating the gold basis, that has been sent to all the banks and because the writer has heard this argument echoed by those who read it.

To expect any conferences in the future, organized or appointed in the same way, to take a step favorable to silver, is to assume that selfish human nature will not be true to itself. You might as reasonably expect a company of cattle breeders and owners to take active measures to introduce mutton; or a convention of wheat growers to determine and plan to introduce rice. It will never occur that the owners of a controlling interest in the world's little lump of eight or ten thousand tons of gold, will voluntarily permit any other metal to come into competition with it.

But it is asserted that there must be co-operation among commercial nations. Great Britain could not destroy its value until we co-operated.

Silver was good and strong until the act of our own government in 1873.

The United Kingdom, but not the dependencies, had been on a gold basis since 1816. Germany, when our mines of gold were so wonderfully productive in the fifties, demonetized gold, but when these mines failed and silver mining became prominent and prosperous, gold was restored and silver demonetized instead. However, the demonetizing act was not until after our own government acted. The Scandinavian Union took measures to demonetize silver, and Holland, that had been on a silver basis, became bimetallic, but silver bullion held strong in the markets of the world. The ratio of one to sixteen was established by our government in 1834 and there was not an hour until 1873 when the silver dollar was not worth more in the foreign market than the gold dollar. In that fatal year the silver dollar in the London market was worth $.004 more than the gold dollar. The decline only came when this nation, that produced one-half the world's annual product of silver, destroyed it as money, and even then the decline was not rapid. Silver only staggered when stabbed by the unnatural act of its own mother, infatuated and misguided for the time, but now fully conscious of her crime. Yet there are those who would not have her snatch up the child her hand has wounded and bind up its bruises and nurse it back again to its former strength, but they call upon her to wait and wait with pleading wail and outstretched arms, until others without natural interest pick up her child, dress its wounds and then lay it tenderly in her arms again. The spirit of motherhood must be



COLUMBIA—"Dear Vic, let me pick up my baby!"

Columbia threw down her own child in February, 1873. She now wants it restored to her arms.

"Why continue the (Brussels) Conference? What necessity is there for England to send any more commissioners? We do not intend to go to anything else but the gold standard. We are the creditor people of the world, and we want money to have the highest purchasing capacity."—*W. E. Gladstone.*

The present Prime Minister of England is non-committal on this question.

Germany under Bismarck, with the immense indemnity sum wrung from France, rejected silver in July, 1893, five months after the United States, but is relenting in these last days. See addenda to this volume.

France could not be induced to abandon silver, though compelled to discontinue coinage for a time. Her position is that of sympathy with silver.

Italy and the other states of the Latin Union agree with France.

reversed since the days of Solomon, else the old king gained a reputation for wisdom he never deserved.

With regard to these conferences, Mr. F. J. Scott in a recent paper says:

"I have followed the initiatory steps and the actual proceedings of each of the four great monetary conferences. The first, held in Paris in 1867, on the invitation of France, 'to discuss simply the unification of coinage throughout the world, etc.' At this conference Samuel B. Ruggles of New York, the leading United States delegate, in conjunction with Senator John Sherman who was then in Paris, as representatives of the United States took it upon themselves to initiate and to support the gold-unit propaganda. It thus became an American movement—one purely theoretical, and not then supposed to be a war on silver, or a means of lessening its value, or of scaling up all credits by increasing the value of the gold units. Gold had for several years before that time been a cheapening metal. Just then, however, gold production was diminishing and silver increasing. It did not take the great loaning classes long to see that their profits would be great by making only one metal the universal unit. If gold production had passed its maximum, and silver production was on the increase relatively, gold might soon become the dearer metal. The United States voluntarily began to pull the chestnuts out of the fire for the money-lenders of Europe. Agitation begun in 1867 was continued by the gold propaganda, until the unnecessary and suicidal revolution was consummated by the act of Congress of 1873, subverting the silver and adopting the gold unit, and eliminating the silver dollar from American coinage.

There has not been a time since that action was taken when a reversal by our Congress of that revolutionary legislation against silver might not have carried up the price of silver and diminished the inflated value of gold to their standard parity.

The writer has been an attentive reader of the discussions in the great monetary conferences of 1878, 1889 and 1892, and in all of them the discussions have revealed a singular preponderance of opinion among the learned delegates towards the justice of an absolute return to bimetallism. But there has always been a turning of the eyes of foreign representatives to the American delegates to ask, in substance, if not in form, 'What has your government authorized you to say, or to guarantee, in that direction? Your country is the great silver producer. Your government put aside the silver standard, and substituted the gold. Now what do you propose to do?'

Each time these questions in one form or another were put to the American delegates, they were powerless to make any definite answer for their government. It has been evident in every one of these great conferences, that representatives of great loaning houses have been in them as delegates of European nations, and have been conspicuous in advocating the single gold standard. But it has seemed plain from the utterances of the more prominent statesmen in those conferences that they would have been glad to have the United States take the lead back to the safe ground from which she had departed; she alone being in a safe position to take the lead so that the rest might safely follow.

While silver has steadily declined in value

through the policy of our own government, the evils attendant on the decline have assumed alarming proportions. The absolute necessity of maintaining bimetallism which a dozen years ago was only appreciated by those who had given the subject study, has now become a part of popular conviction all around the world. The gripe of hard times has forced the thoughtless to think. The monstrous effects of contraction to a single gold standard are permeating the minds of business men of all countries. Public opinion everywhere is more ripe for a return to bimetallism than ever before. It needs only a leader. The United States is in a position to lead successfully. It seems to me that we have been as a nation, and are now in a humiliating position on this question; asking other nations to help us to do what we have full power to do alone, and the greatest interest in doing."

When the necessity of the co-operation of other nations is claimed it is meant merely that we cannot go back to the old basis without the co-operation of Great Britain; for aside from Great Britain and her dependencies, almost the whole world is bimetallic or else silver alone. Russia and nearly all the Americas are silver alone. While France, Holland, Italy, Spain, Netherlands, and all Asiatic countries not under British domination, are bimetallic. Those countries upon which the United Kingdom has forced the gold basis are prostrated commercially. This monetary distress is said to be world-wide, and is because the sun never sets on the British Provinces, and this enforced destruction of values affects them all, notably Australia and India, where all business has been paralyzed.

The co-operation of Great Britain means the permission of the Bank of England, which controls all the finances of the Kingdom and dictates the monetary policy. This bank is controlled by twenty-six directors, who choose their own successors and are independent. In this board are young men, who have small influence as yet in its control so that the management is in the hands of a very few, and they are Hebrews; and Hebrews are Hebrews everywhere; they may be Russian Hebrews, or German Hebrews, or English Hebrews, but they are Hebrews first, always; and have resisted all the influence of the ages, since Abram was called out of Ur, to absorb and assimilate them. They are among the nations, yet not of them. That we cannot remonetize silver without the co-operation of Great Britain means that we must have the permission of this clique and close corporation of Jews. We insinuate nothing with regard to the Jew. The bank was organized by a shrewd Scotchman and a clique of clannish Scotchmen might be no safer. Human nature is the same; we are of one blood.

Where are the Sons and Daughters of the Revolution, the Grand Army of the Republic, and the Sons and Daughters of Veterans, that we cannot have an independent monetary system? Our fathers, in their feebleness, did not adopt the English pound sterling and shilling and penny, though in common use and familiar, but they established U. S. money with the dollar as a unit, and determined its value in silver and gold. They declared they were independent, and fought it out on that line, and then acted like independent men. Must we now, when we have grown great, 65,000,000 of people, and rich,

$70,000,000,000 of wealth, and so strong we dominate the western hemisphere, and have just astonished the whole world with an exhibition of our grandeur, must we now ask permission from the old-time oppressor to use our own silver for money? Fortunately we have never yet made a contract or given a bond that cannot lawfully be paid in silver. Will we permit ourselves to be made bankrupt in servile obedience to British and Hebrew dictation now?

We are writing this, as the reader may surmise, on the eve of the Fourth of July. Our boys are buying their fire-crackers and we are preparing to re-read the Declaration of Independence, but no act of oppression therein recounted caused half the woe that has been caused by this destruction of values. If we are not independent enough to correct this without asking permission, we have lost our freedom and our celebration is a farce. We had better ship the fire-crackers back to China and hang the Declaration of Independence upside down in the garret and clothe ourselves in sack-cloth.

We can resume bimetallism and can lift silver back to its old value without assistance from other governments. We must lead; others will follow. Not foreign conferences, but United States leadership in defence of our own products and our own money is what these times demand.

GREATER SECURITY.

ARTICLE XVII.

There is no reason outside of custom and the arbitrary edict of laws why gold or silver, or both combined, should be the base of the world's values. There are those who think we have progressed so far that we should discard both, and place instead a new unit based on population and property; but there must be some method of estimating property even for this purpose. It is, however, taking a step backward rather than forward to contract the base to one metal, instead of the two as heretofore, when the world's wealth has so wonderfully increased.

All the gold in the world in a lump would not be larger than a small dwelling house, and yet over this as a fulcrum the effort is made to balance the commerce of all the world, and this fulcrum is so in the hands of a few that it can be manipulated at will to throw the balance to suit their personal and private ends. There should be an enlargement of the base, and greater security should be provided for the stability of values.

A single wire is less safe than a cable, composed of a large number of small wires. A rope of a single strand will not bear the strain like a number of strands combined. With gold and silver twined the cable is too small for the world's wealth, and with both there can be no advance of values. All of both metals that is taken, or is likely to be taken from

the mines, is too small to keep pace with the world's commercial increase.

We now depend on gold alone. There is about $5,000,000,000 of gold in all the world to-day, and about one-third is in the control of one family, and a large portion of the remaining is held by a few others. The power of the individual is thus too great for safety when we know human nature with the human greed of avarice, not destroyed but positively quickened with advantages offered.

Commercial disasters have been caused mostly by interested financial manipulation. There should be some protection. When one strand of a rope weakens, the others hold. When one wire of a cable snaps, all is not lost. When the air brakes of the train fail to act, they twist up the shoes by hand, and the train does not go to ruin. When the elevator cable gives way, there are dogs and ratchets to catch and hold it that it may not drop with its living freight to the bottom: so there should be more than a feeble thread of gold to support values.

Gold and silver should be twisted into a cable for strength and security and ordinary commercial service, but back of them there should be a unit of the principal staple products of the mines and of the fields, as cotton, wheat, corn and iron. These staples should be given some permanent minimum of value. Were the precious metals given their places as formerly and then wheat, cotton, corn and iron given also permanent debt-paying power at twenty-five per cent. less than the average prices during ten years of the bimetallic period, it would afford great security; then should gold and silver both be cornered, these products would protect against utter

ruin and give a confidence that is not now felt. Tennessee money founded on cotton went through the war and was at a premium. This protection will be in accord with the advancing ideas of the age, and provide greater security against fluctuations in money and in staples. This will encourage those who have lost heart from reverses and afford them some hope of protection for the future.

Those water works would not afford a constant and sure supply for the emergencies in a city that did not have some reserved force or reservoir. An electric plant, to avoid the possibility of leaving the city at any time in darkness, has dynamos in reserve, should those in service for any reason fail. Electric and cable cars would not long have the confidence of the public if they were rendered irregular in their time, by any slight accident to one delicately constructed engine. On inclined planes should the cable snap, the specially constructed brake grasps the track and the car does not crash down to ruin. In nothing else is there such a fearful risk taken as there is in hanging on a single gold thread all the financial interests of the nation, with no protection whatever should that thread fail.

NATIONAL BANKS.

ARTICLE XVIII.

The laws authorizing national banks were first enacted in 1863 and were modified by further legislation in later years. These laws granted special privileges to the purchasers of U. S. bonds; the bonds were free from taxation by state or municipal authority; the interest was payable in coin, which was afterward interpreted as meaning gold. Those who should purchase, were given the privilege of organizing national banks in any part of the country, and a tax of 10 per cent. was imposed on all state banks, which practically destroyed them as rivals of these new organizations.

The government further agreed to issue to these new national banks, national bank notes up to 90 per cent. of the amount of bonds they had purchased, and to pledge its credit for their redemption, so as to make them current in all parts of the country. They charged the banks 1 per cent. for the expense of this issue.

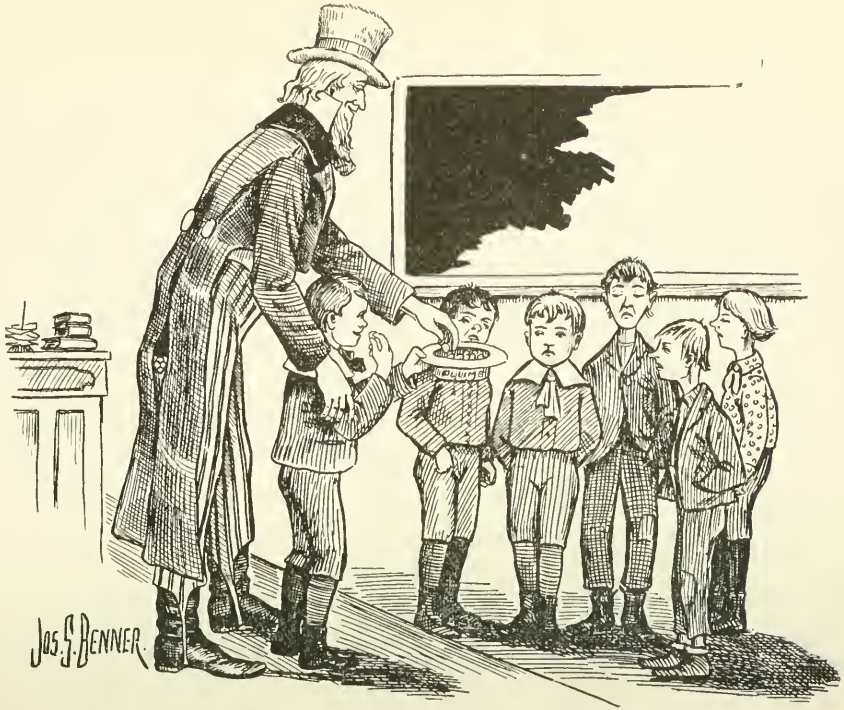
By this means capitalists could invest $100,000 in bonds free from all taxes, and receive interest on that amount from the government in gold. When organized as a bank, 90 per cent. or $90,000 would be issued to them in national bank notes, at their request, which could be loaned to customers. While not legal tender, yet this currency had the pledged credit of the government that it should be equal to coin, so that practically the bank note was the same

as the greenback that had been issued direct by the government.

This made buying bonds and organizing banks as near giving money away and yet keeping it as was ever accomplished. It made possible the supposed impossible feat hitherto among boys of eating plums and yet having them. When they paid their money, 90 per cent. was benevolently handed back again for their use and profit. This was a great opportunity to receive two separate interests, one from the government collected as revenue from the people, and one from the private customers; and banks were organized rapidly in all parts of the land.

These were great privileges. In granting them the government abandoned its policy toward national banks which it had adhered to tenaciously for thirty years. This was regarded as a war measure, and the banks were thought to be a war necessity; the government was in need of money and must accede to the demands of those who controlled it. "The borrower is servant to the lender." The condition was very similar to that in England, when William, poor and with failing credit, granted the charter of "the Governor and Directors of the Bank of England," on condition that they lend him £1,200,000 at 8 per cent. This was a perpetual loan, never to be paid, but the 8 per cent. was to be paid annually, and has been for 200 years.

The first object, urged for the adoption of this banking system, was to make a market for the government bonds by offering these special privileges to investors. This purpose was fully accomplished, as all bonds offered were purchased and soon went to a premium. This is easy to understand. Any



UNCLE TEACHING THE BANK BOYS HOW TO EAT PLUMS AND HAVE THEM.

"SECTION 16.—*And be it further enacted*, That upon the making of any such transfer and delivery the association making the same shall be entitled to receive from the Comptroller of the Currency circulating notes of different denominations, in blank, registered and countersigned as hereinafter provided, equal in amount to ninety per centum of the current market value of the United States bonds so transferred and delivered, but not exceeding the par value thereof, if bearing interest at the rate of six per centum, or of equivalent United States bonds bearing a less rate of interest; and at no time shall the total amount of such notes, issued to any such association, exceed the amount at such time actually paid in of its capital stock."

Notice that it was wisely provided that when the boys were through eating they should not have more plums than they had in the hat when they began.

responsible borrower of money, who, upon receiving and giving his interest-bearing note for $100 would immediately hand back to the lender $90, and yet pay interest on the $100, retaining only the $10, would have money urged upon him. The government endorsement of the notes handed back made them good and current everywhere, however low might be the character and standing and credit of the local bankers. This universal credit thus given their circulation was itself worth the 10 per cent. of their investment. This the first reason for the national banking system has passed away, if it ever really existed. Bonds have a market. Capitalists are anxiously waiting for the issuance of many millions more and are ready to take them at a premium.

The second purpose urged was to strengthen the sympathy with the government itself, all over the land. There was thought to be a want of loyalty in certain parts, and it was argued, that by uniting the leading financial interests in all the states with the permanent establishment and prosperity of the government, there would be fostered a spirit of loyalty; public and personal prosperity would be linked together. This purchase of loyalty may not have been so successful, for the patriotism of money is not, and never has been, reliable. It is wholly governed by selfish motives, and will only be true to the interests that foster it, as ticks cling only to the body from which they can draw blood.

This reason was plausible, but never valid. The establishment of a privileged moneyed class, having special privileges because they have money, is not good republicanism, nor is it good governmental policy anywhere. The tyranny of capital is soulless and

merciless, and should be guarded against with the greatest of care. To intrench such a class in power and give them the privilege of manipulating the currency for their own profit, is a menace to the interest of the public, and the continued existence of the class now holding these privileges, which they will not use for the public welfare, is to court disaster.

The third reason was the desire to replace the greenbacks, issued by the government direct, with some currency that would be as widely popular and secure, and yet would not be direct from the government. Their issue was supposed to be only a temporary measure soon to be replaced. Capitalists especially urged their withdrawal and that these new bank notes be the only paper currency. This, however, afterwards was not thought desirable and greenbacks are still kept in circulation to the amount of about $340,000,000. When returned to the treasury they are immediately re-issued and paid out again.

The amount of bank notes was at first limited to $300,000,000, the amount of greenbacks in circulation that they were to replace afterward made $350,000,000; but on the resumption of specie payment all limit was removed and banks can be organized anywhere now, and on request will receive 90 per cent. in bank notes, secured by the government, for whatever amount of bonds they may purchase for their capital.

The bank notes circulate everywhere with current greenback legal tender money, and in fact the government is responsible for one as for the other. The greenbacks are preferred by the people, who see no necessity for the third party that is brought in by

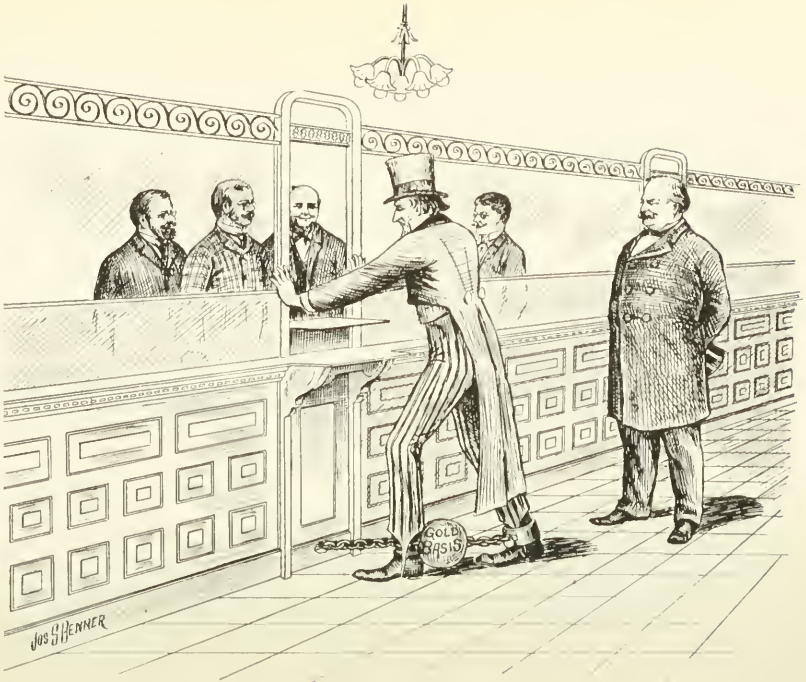
the bank note currency. The loss of greenbacks from fire or from any cause, and that never will be returned for redemption, which is estimated at $50,000,000, inures to the benefit of the public treasury, while the loss of bank notes from like causes is to the advantage of the bankers. The assumed greater security of bank notes, because of the private capital pledged, in addition to the pledge of the government, is a factor so inconsiderable as to receive no attention; while the government stands the greenbacks are good, and when the government fails the national bank notes will also be worthless.

The fourth reason was the provision of a flexible currency. It was plausibly argued that when money is scarce, at any time or in any part of the country, the banks will draw up to the 90 per cent. limit and loan at good rates, and when the money is very plenty and rates of interest low they will naturally withdraw their circulation. This has always been seen to offer a possible double interest, one on the bonds, free from all taxes equal to 6 per cent., and one on the private loans of the same funds to the bank's customers. This made the banker's lot pleasant and secure. If there was no call for money he could quietly cut off his coupons and draw his interest from the government, and if money was needed, he could furnish it, and through the office window receive another interest, from the same funds, from private customers; constant government interest on the whole amount invested and another interest on 90 per cent. as business might offer.

The flexibility of the currency has not been secured. The national banks have not come to the relief of the people, and the financial stringency has

been increased by the privileges granted to this favored class. The national banks, instead of being separate and distinct, as it was supposed they would be, united for mutual advantage and now operate as any great combine for their own interest, and co-operate with other independent financial institutions. The issue of bank notes was nearly $350,000,000 when a contraction was determined upon and begun.

A general contraction was continued until the national bank note circulation was not one-half of that authorized by their capital stock. Early in 1893 a further contraction of currency and calling in of loans was entered upon, so that we find when currency was at a premium the contraction was continuing, and now when the general opinion is that a great additional volume of currency is needed, the national banks have the authority to issue, without adding another dollar to their capital stock, $400,000,000 of currency. The talk of authorizing them to issue to their full amount of bonds is idle, as they have contracted until not over one-fourth of the 90 per cent. now authorized is in circulation. This contraction of the authorized currency until financial distress was upon all our people, and then utterly failing to come to their relief by the money they had the right and authority to issue, shows that flexibility does not practically follow from this system, however logical such a result at first seemed. It also shows that placing the ability to expand or contract our currency in the hands of private parties is a menace to the public welfare. It will not be employed for public good when private interests are not



"THE BANKS HAVE GOT THE COUNTRY BY THE LEG."

"I sincerely believe that banking establishments are more dangerous than standing armies."—*Thomas Jefferson.*

"*I see* in the near future *a crisis* approaching that unnerves me and causes me to tremble for the safety of my country. As a result of the war, corporations have been enthroned and *an era of corruption in high places* will follow, and the money power of the country *will endeavor to prolong* its reign by working upon the *prejudices* of the people *until all wealth is aggregated in a few hands*, and the republic is *destroyed.* I feel at this moment more anxiety for the safety of my country than ever before, *even in the midst of war.* God grant that my suspicions may prove groundless."—*A. Lincoln.*

"Oh! Say, does that star-spangled banner yet wave,
Over the land of the free and the home of the brave."

—*Francis Scott Key.*

served. The public welfare will be sacrificed when private interest can be advanced.

These national banks have quietly gathered into their vaults $200,000,000 of gold coin, a very small amount of silver coin, a vast volume of currency, and practically all the gold certificates, and are the most earnest advocates of a single gold basis. They advocate the withdrawal of the greenbacks issued direct from the government, and ask that bank note currency alone be issued from the banks, as authorized by the present banking system. They seek to occupy a place in our government similar to the Bank of England, which handles all the national finances, issues all the bank notes, establishes its own discounts, and is an uncrowned king dominating the commercial and financial interests of the United Kingdom.

They possibly control us now. The influence of bankers in legislation was feared by our fathers. The following resolution was passed by the Senate December 23rd, 1793: "Any person holding any office or any stock in any institution in the nature of a bank for issuing or discounting bills or notes payable to bearer or order, cannot be a member of the House while he holds such office or stock." This was signed by George Washington. A hundred years, and multiplying the 3 banks by 1000, does not make their influence more salutary.

The Senate is now filled with those interested in national banks. The Senator without bank stock is a rarity. From the Congressional Record of April 10th, 1894, page 4336, we learn that an honorable Senator stated that it was reported the President had said "the banks have got the country by the

leg." If this is not elegant it is forcible, and its meaning cannot be misunderstood.

Our whole banking system is founded on the national debt and can only be continued by the perpetuation of that debt. It is to the interest therefore of the national banks to involve the public in debt and to continue it. It is necessary for their continued life. If the bonds were paid they could no longer exist. They hold the bonds but they do not wish them paid. They have found this the safest and best method ever invented for the accretion of wealth.

Under Mr. Cleveland's first term as President, the query was "What shall be done with the surplus?" A vast amount of money in the treasury was a temptation to extravagance and corruption. The natural business use of these funds would have been to apply them on the public debt and stop the interest. This is what any capable business man, who is in debt, would do. This proper use of the funds was resisted because it would destroy the whole national bank system and contract the currency, and this was regarded by many as a legitimate argument. It was not hinted that the banks were about to contract the currency voluntarily to serve their own purposes.

If the gold basis is to be maintained, then there is no escape. We must issue bonds, not merely $50,000,000 and $200,000,000 more, but $1,300,000,000, and double our national debt and place ourselves helpless in their hands. The interest will exhaust our mines and sap all our productive life, and the principal will be fixed upon us forever. If bonds must be issued and the debt increased in times of peace and natural advantages, when can the debt

be paid? Our soil, mines, forests, all our resources, are now abundantly productive and now is the time to be paying off our debt if ever. Shall we continue in debt in order to continue the banks, or shall we abandon the system?

It has become evident that we are offering a reward for our own bondage. If we would escape financial enslavement and be free, the time to resist and act is now here. The bank note issue has been contracted for a purpose, until less than $150,000,000 are in circulation. The government should add direct to its greenbacks $150,000,000 so as to avoid all further contraction, and then remonetize silver at the old ratio of 16 to 1 of gold, and resist all increase of bonded indebtedness.

The national debt was incurred in time of war to meet the expenses of preserving our very existence as a nation, but this vast addition to our burdens is for no tangible purpose except to maintain a gold basis. It will not construct defences along our coasts, nor build a warship, nor increase the domain by irrigating our arid wastes. It will not build a good road nor construct a bridge, nor improve a harbor, nor erect a postoffice in any city. It will only afford the bankers a grand opportunity to invest their vast surpluses, which they have withdrawn from the channels of trade, and increase their capital stock, and perpetuate their power. When our children in time to come, bending under these burdens, shall ask for what purpose this debt was increased, they will seek in vain for a satisfactory answer. It is a time of peace with ourselves and with all the world and there will not be a public improvement of any kind that will owe its existence to this debt.

It is not likely that all this vast amount of $1,300,000,000 will be issued at once. That would alarm the people and bring upon the actors in the scheme public odium that would drive them forever from power. The amount will gradually be demanded, but there is no place to stop. The first $50,000,000 of bonds have been issued. The so-called reserve of gold is lower than ever and gold is being carted out of the treasury vaults every week and a second issue of $200,000,000 is demanded. But there is nothing to hinder the banks from drawing that all out in a day by merely presenting currency and demanding coin, and there is nothing to stop this process.

If this is permitted and these bonds are issued as now proposed, it will show that we can truthfully use the strong expression attributed to President Cleveland, slightly modified, and say "the banks have us by the throat."

It may be doubted whether there ever was a justifiable excuse for the establishment of this system; certainly there is no excuse for increasing our debts by maintaining the gold standard, that it may be continued.

The language of Jefferson may be quoted to show how strong the conviction was in the minds of our fathers, that national banks were an evil under any conditions.

"Bank paper must be suppressed and the circulation restored to the nation, to whom it belongs.

"The power to issue money should be taken from the banks and restored to congress and the people to whom it belongs.

"I sincerely believe that banking establishments are more dangerous than standing armies.

"I am not among those who fear the people.

PLENTY OF MONEY, BUT—

CUSTOMER. I have worked and saved and got the interest on that old note. I see by your report you have lots of money, and I thought you would renew it for another year.

CASHIER. We have an unusually large surplus, and will permit you to renew with pleasure, but—well—we shall be compelled to ask you to give us some additional security.

CUSTOMER. Security! You now have my farm and home and all I have on earth, except my wife and babies.

CASHIER (sympathizingly and preparing the way for collection, and for hard feelings among old time friends)—Yes—but—well—you know property has depreciated. Now, I want to help you out; can't you reduce the note a little? Now—well—if you will reduce this note to $1,000, and then have it signed by your father-in-law, Mr. Smith, he owns that farm by the maple grove, I believe; and your brother-in-law, Mr. Jones, who owns the farm across the creek, and those good neighbors of yours, Mr. Harper and Craig and Johnson and Swan, they are good, clever fellows and will accommodate you, I know, we will try and renew your note for ninety days and not charge over 8 per cent interest, but—well—this, I must say, is the last time, positively that the directors will permit me to renew it.

They and not the rich are our dependence for continued freedom. And to preserve their independence we must not let our rulers load us with perpetual debts.

"Put down the banks, and if this country could not be carried through the longest war against her most powerful enemy, without ever knowing the want of a dollar, without dependence on the traitorous class of our citizens, without bearing hard on the resources of the people or loading the public with an indefinite burden of debt, I know nothing of my countrymen."—*Thomas Jefferson.*

The message of President Jackson in 1834 reads, now, sixty years after, like a prophecy:

JACKSON ON NATIONAL BANKS.

Message December 2, 1834.

"Circumstances make it my duty to call the attention of Congress to the Bank of the United States. Created for the convenience of the government, that institution has become the scourge of the people. Its interference to postpone the payment of a portion of the national debt, that it might retain the public money appropriated for that purpose to strengthen it in a political contest, the extraordinary extension and contraction of its accommodations to the community, its corrupt and partisan loans, its exclusion of the public directors from a knowledge of its most important proceedings, the unlimited authority conferred on the President to expend its funds in hiring writers and procuring the execution of printing and the use made of that authority, the retention of the pension money and books after the selection of new agents, have through various channels been laid before Congress. They were substantially a confession that all the real distresses which individuals and the country had endured for the preceding six or eight months have been needlessly produced by it with the view of affecting, through the sufferings of the people, the legislative action of Congress."

* * * * * * *

Again he declares in the same message:

"Events have satisfied my mind, and I think the minds of the American people, that the mischief and dangers which flow from a national bank far overbalance all its advantages. The bold effort the present bank has made to control the Government, the distresses it has wantonly produced, the violence of which it has been the occasion in one of our cities famed for its observance of law and order, are but premonitions of the fate that awaits the American people should they be deluded into a perpetuation of this institution, or the establishment of another like it. It is fervently hoped, that thus admonished, those who have heretofore favored the establishment of a substitute for the present bank will be induced to abandon it, as it is evidently better to incur any inconvenience that may be reasonably expected than to concentrate the whole money power of the Republic in any form whatsoever, or under any restrictions."

The Loco-Foco platform, adopted in 1836, says:

"We declare unqualified hostility to bank notes and paper money as a circulating medium, because gold and silver is the only safe and constitutional currency; hostility to any and all monopolies by legislation because they are violations of equal rights of the people."

In 1840 the Democratic platform took strong ground:

"6. *Resolved*, That Congress has no power to charter a United States bank; that we believe such an institution one of deadly hostility to the best interests of the country, dangerous to our republican institutions and the liberties of the people, and calculated to place the business of the country within the control of a concentrated money power, and above the laws and the will of the people."

This resolution was re-affirmed in their platform in 1844.

No political party had dared to champion the national banks, and the Jacksonian policy had become so fully settled as the policy of the government that the Democratic party in 1848 felt justified in claiming great credit for freeing the people from its "corrupt and tyrannical domination," as follows:

"14. *Resolved,* That we are decidedly opposed to taking from the President the qualified veto power by which he is enabled, under restrictions and responsibilities amply sufficient to guard the public interests, to suspend the passage of a bill whose merits cannot secure the approval of two-thirds of the Senate and House of Representatives, until the judgment of the people can be obtained thereon, and which has saved the American people from the corrupt and tyrannical domination of the Bank of the United States, and from a corrupting system of general internal improvements."

In the platform adopted by this same party in 1852 this is made very plain and very emphatic:

"9. *Resolved,* That Congress has no power to charter a national bank; that we believe such an institution one of deadly hostility to the best interests of the country, dangerous to our republican institutions and the liberties of the people, calculated to place the business of the country within the control of a concentrated money power, and that above the laws and will of the people; and that the results of Democratic legislation, in this and all other financial measures, upon which issues have been made between the two political parties of the country, have demonstrated to candid and practical men of all parties, their soundness, safety and utility in all business pursuits."

In 1856 the Democratic platform announced the same opposition to national banks and also claimed the glory of having rid the people of the burden. There is no escaping from a clear understanding of

what, at this time, was the established policy of the government:

"7. That Congress has no power to charter a national bank; that we believe such an institution one of deadily hostility to the best interests of the country, dangerous to our republican institutions and the liberties of the American people, and calculated to place the business of the country within the control of a concentrated money power and above the laws and will of the people; and the results of the Democratic legislation in this and all other financial measures upon which issues have been made between the two political parties of the country, have demonstrated to candid and practical men of all parties their soundness, safety, and utility in all business pursuits."

"8. That the separation of the moneys of the government from the banking institutions is indispensable to the safety of the funds of the government and the rights of the people."

"9. That we are decidedly opposed to taking from the President the qualified veto power, by which he is enabled, under restrictions and responsibilities amply sufficient to guard the public interests, to suspend the passage of a bill whose merits cannot secure the approval of two-thirds of the Senate and House of Representatives, until the judgment of the people can be obtained thereon, and which has saved the American people from the corrupt and tyrannical domination of the Bank of the United States, and from a corrupting system of internal improvements."

In 1860, both the Douglas and Breckenridge factions of the Democratic party reiterated these same resolutions.

In 1864 there was a general demurrer to the conduct of the war and management of public affairs. There has been no distinct recognition of this old plank in the platforms of that party since.

Until 1860 the party was most open and pronounced in opposition to all forms of national banks, and there was a general acquiescence in this as the wise settled course for the government to follow.

When the new emergencies arose in 1861, and unusual war measures were common, this system that had been rejected for thirty years was presented and urged. It was not passed without the most bitter opposition. In the Senate it was only carried by a vote of 23 yeas to 21 nays. It was adopted only as a war measure. Efforts were made to limit the banks to the war and twelve months after its close. They were by the law given existence until the war debt should be paid.

There has already been a refunding of the public debt, and the time thus extended. The question now is whether we shall hold to the gold basis and reissue our bonds to perpetuate their life.

HOW LONG?

ARTICLE XIX.

The query "How Long" are these hard times to continue, is more difficult to answer than "Wherefore." It is easier to trace effects to their cause than it is to determine results that shall follow from vague and ill-defined forces.

A prophet looks into the future and sees by divine aid that which is beyond mere human view. He sees that which is not indicated by anything in the past, or foreshadowed by events or tendencies of the present. Thus Abram saw that his descendants were to possess the land of the Canaanites, and be numerous as the sand by the seashore. There was nothing in his childless house that made such a result even probable. There came over him a horrible darkness, and he was shown that his children should first go down into Egypt and endure severe bondage for 400 years. There was nothing to indicate that so hard a fate awaited the children, the heirs, he was praying the Lord to grant him.

The prophet Ezekiel looked into the future and saw that the great commercial city, Tyre, was to be overthrown, and that the rocky island on which it was built was to be made bare and desolate, and that the simple fishermen would land on its site and spread their tents to dry, where were then the busy marts of trade. There was nothing to indicate such ruin. Tyre had been the commercial metropolis for ages. Her wealth and her influence were great.

Her merchants traded in every known land. Her defences were so complete and strong that every enemy that had ever risen against her had been repelled. Her overthrow was quite as improbable as the ruin and desolation of Manhattan Island to-day. No unaided human eye could foresee what Ezekiel foresaw.

The philosopher reasons. He studies the past and the forces that are now working, and the tendencies now shown, and from them he determines what the future shall be. If he sees and properly considers all the facts, and correctly reasons, the conclusion is infallible ; but much that should receive his attention may be overlooked, or hidden forces may be at work, and his logic may be faulty, and the conclusion therefore be false.

The weather bureau takes cognizance of the condition of the atmosphere in different parts of the land. They note the storms that are raging, the direction and the rapidity with which the wind is blowing. They note the rain or snow or hail that is falling. They note where the sun is shining, where the clouds are gathering and mere gentle zephyrs are stirring. With these data they are able to determine, with somewhat of accuracy, what the weather will be in any locality twenty-four hours in advance. But the bureau knows nothing of the home of the storms, nor of the hidden causes that produce the change of winds, and the cold and warm currents that precipitate the rain. So the philosopher may be as wise as he will, yet his determinations for the future must be very limited in time, and very imperfect in description. There is a hidden controlling hand that guides the affairs of men.

"There is a destiny that shapes our ends, rough hew them as we may." "The best laid plans of mice and men aft gang agee."

Coming then to this question, if we have set forth truthfully the "Wherefore" it may be confidently asserted that the causes that have produced these "Hard Times" will never themselves relax. Until human nature is remoulded and the spirit of self-sacrifice and good will becomes universal, no relaxation need be expected. The stringent bands must be broken and they must be broken by those whom they bind. The causes must be removed, and they must be overcome by those who are now suffering from them. There is no superior race to arouse and defend us in our weakness. The negroes were given their freedom by a greatly superior people, who, wisely or otherwise, championed their cause. There is no promise of a Moses, to lead us out of our strait, raised up in providence and divinely qualified to free his people from their bondage. We must remove the cause and break the stringency ourselves.

The sooner this is done the easier it will be accomplished. Wrongs unrighted and injustice submitted to, has a dulling and stupefying influence that prepares the way for greater oppression, until submission becomes the habit and no wrong is resisted. The independent spirit of the Hebrews in Egypt was not broken in a day, but after hundreds of years of oppression they were utterly docile and claimed no rights, not even the right to life itself. They permitted their oppressors to walk into their cabins and pick up their babies and carry them out and drown them, like boys drown puppies; so utterly broken was their courage and spirit.

There was no one among them who had aspirations for freedom. Moses, taken from them and trained up a freeman, had his soul stirred with uncontrollable indignation as he saw the oppressors compelling his kindred, under the lash, to grind out their lives ; but there was no response to his earnest call that they should resist the wrongs.

The longer a wrong policy or wrong law is submitted to, when its injustice and evil influence are understood, the harder it is to correct it. If the people now understood clearly the causes of these depressed times, they could now rouse up and remove them easier than in any time to come.

The first work is to right the wrong done in 1873, when the unit of value was doubled by demonetizing silver. This wrong can never be fully righted. The thousands who have lost their homes cannot have them restored. The lines of care and sorrow on the brows cannot be rubbed out. The alienations can never be wholly healed. The bitterness of these years can never be sweetened. So far as possible this wrong may be righted by the complete restoration of the old unit of gold and silver. To accomplish this, every one who loves the right and hates the wrong, who prizes his freedom and resists oppression, should bend his best efforts. The struggle is on, and the settlement of this affects every man and woman in the United States. The settling of this is the determination whether our boasted nineteenth century Christian civilization is to go forward to a still more glorious consummation, or whether it shall now be counted at its acme and begin its decline as Greece and Rome and Spain, strangled by a tightening thread of gold drawn by

those who have only narrow and selfish desires of personal gain.

By remonetizing silver we certainly will start the rusty mining machinery in eight of our Western States, and we will make that mining profitable, and that must be a great public gain. Seated as the writer, in his quiet study, midway between the factories of New England and the Western Mines and having no interests in either, and centering his best thought, he cannot discover why it is not just as advantageous to the general public to start the mines of the West as to start the spindles and looms of the East.

But the mines are of far more importance. They touch and quicken every interest. When they were paralyzed, we found that stagnation began in every line of trade—the wheat and cotton fields, the wool and live stock industries, the iron workers, the railroads, the merchants, were affected. The demand for labor of all kinds ceased. Start the mines in the West and you start the mills in the East. You start the coal and iron works, and courage and hope will revive among all our people. The discouraged Northern farmer will begin again to whistle over his fields, and the colored Southern tenant will sing his plantation songs with new fervor as he hoes or picks his cotton. The 3,000,000 unemployed will no longer roam around settling gradually into vagrants, but the old spirit of industry and thrift will be revived.

Silver should be remonetized, too, at the old ratio of 16 to 1 of gold. This is larger than the ratio which prevails in Europe, where it is $15\frac{1}{2}$ to 1. Only in Mexico of all the nations is it larger, 17 to 1. The

ratio that has prevailed for ages and ages is about 15 or 16 to 1. At times gold has been more plentiful and at times silver, but in a long period of years the world's silver and the world's gold have been about of equal value, and notwithstanding all that has been said when the facts are tested, at this ratio they are about equal to-day. If we retain both metals, all that has been produced for the last twenty years, there is not enough proportionate to the vast increase of wealth. There would, according to the most conservative estimates, be a shrinkage of from ten to fifteen per cent. That is, if the gold and silver of the world is to bear the same relation to the world's property and commerce that it did twenty years ago, there should be added from ten to fifteen per cent. more than all the gold and silver mines combined have produced. If we would maintain values with both metals as a base at the old ratio, we must either produce more, or else reduce the weight of the coins. That was the method Solon adopted when the precious metals became scarce. He reduced the size of the drachma. The restoration of silver is the work that must now be pressed until accomplished; but the fact cannot be ignored that unless there is an increase in the products of the mines the question of retaining the present weights of the coins must be settled by the next generation.

There should be safeguards also even with restored silver. The monetary interests are too nearly related to all that pertains to human welfare to be left without perfect security. Let it be made impossible by manipulating silver and gold to jeopardize or greatly damage the commercial world.

The ship carries a number of anchors to be pre-

pared for any emergency. The little bower may be in frequent use, the best bower perhaps only once in a voyage, while the sheet anchor may lie in its place voyage after voyage; but when the storm does come and the danger is great, and the smaller anchors drag, then there is pressing need of the sheet anchor that was carried apparently useless for months and months—but now its time for use has come, and the sailors heave it over, and it grapples the rocks beneath with its mighty fluke, and the vessel is saved. Gold and silver may do the work in the commercial world in times of peace, but they have always been treacherous in times of war and of any civil commotion. There should be some best bower, some sheet anchor that will hold secure and safe the interests of foreign but especially domestic commerce, even in these storms.

The second work is to avoid the incurring of debts in times of peace, and the perpetuating of debts that can be paid. No wise business man incurs a debt he can avoid. When this is necessary he gives his note, his own note and no more. In some great emergency only, or to accomplish some most assured and desirable end, will he place a mortgage upon his property. Public debts have become the fashion among the nations and are encouraged by the great money brokers of the world. They bind, and in proportion to their amount, they enslave the people.

The bonded indebtedness of the nation was regarded as necessary to preserve its life, but the perpetuation of that debt is a crime against posterity. To issue bonds to preserve a theory of a gold reserve and to reissue bonds that might be paid off lawfully by the millions of hoarded silver in the

treasury vaults, is such folly that the generations following, who will be groaning under the burden, will call us by hard names. Nor should there be legislation to make it for the interest of any class to perpetuate these bonds. It should be made to the interests of all to have them speedily paid.

In the third place, the currency should be free from the possible manipulation of individuals or any combination of private interests. We endeavor to check all speculations in breadstuffs and meats and the staples of life. We recognize that these should if possible be placed beyond the reach of personal avarice and greed. But money is bread and meat and clothes and education and all the comforts, and also all the luxuries of life. It should be free from possible interference. It is the blood that flows through all the arteries of trade in the whole body politic. When it flows freely every part is invigorated and built up. When it is congested there is at once weakness and threatened decay. The present banking system places it in the power of the incorporated banks to inject into the currency or withdraw at will not less than $500,000,000. They have been for several years steadily withdrawing currency from circulation, for their own interests and not for the public good.

Black Friday, Sept. 24, 1869, was occasioned by the successful effort of a combination of speculators to depreciate the currency. One dollar and thirty cents of currency was worth one dollar in coin. The combine threatened to depreciate it until it would require two dollars to be one of coin, and were so far successful that it required one dollar and sixty cents of currency. The attention and interest of the

whole country were aroused. A tremendous effort was made to defeat the conspirators by the merchants. At last the government came to the aid and placed on the market millions of gold, when the combine gave way and prices stated in currency went down with a crash, to the old notch, and carried down many fortunes in the collapse. In the language used at the time, "the air was filled with the debris of lost fortunes."

Yet this manipulation was not so great as that now possible and lawful in the hands of the national banking houses. The American people should not rest until such manipulations are made impossible under the forms of law by independent corporations.

These results will not be accomplished in a day. The present standard of values has been established for twenty years and there has been no great movement inaugurated for a return to a bimetallic base. It was done quietly and few knew for years that silver was demonetized, and the fact is only now coming to be understood by the people at large. This fact that the present standard is gold and has been so long makes the change difficult. Had the gold base been discussed and understood at the time it could never have been accomplished, but having gained the position and being intrenched with twenty years of careful work, it will not be an easy task now to restore silver.

The banking system has been in successful operation for thirty years. The banks have gathered the influence of wealth and intelligence around them. The system is very popular with money lenders. It is the safest and surest way of investing

and accumulating money ever invented. The public debt is to them a blessing, and when the alternative is presented of either perpetuating that debt or themselves dying, human nature would not be true to itself if it did not seek for excuses to continue the debt. To pay our debts, strange as it may seem, the people will have to resist the combined financial interest of our own land. We have made it profitable to the money lenders to perpetuate our bonds and bondage. To change this vicious system so tenaciously held and defended will not be a short nor an easy task.

The greatest combine of capital the world ever knew is that of the moneyed interest of Frankfort, and Lombard and Wall streets. The power of other trusts is felt to be irresistible, even overpowering the government. The best illustration of this is the wail of President Cleveland just now in his letter to Representive T. C. Catchings, of Mississippi, bemoaning the unsuccessful effort to resist the corrupting trust forces which overcame the will of the people by corrupting the people's representatives.

"I do not claim to be better than the masses of my party, nor do I wish to avoid any responsibility which on account of the passage of this law I ought to bear as a member of the Democratic organization, neither will I permit myself to be separated from my party to such an extent as might be implied by my veto of tariff legislation which, though disappointing, is still chargeable to Democratic effort. But there are provisions in this bill which are not in line with honest tariff reform, and it contains inconsistencies and crudities which ought not to appear in tariff laws or laws of any kind. Besides,

there were, as you and I well know, incidents accompanying the passage of the bill through Congress which made every sincere reformer unhappy, while influences surrounded it in its latter stages and interfered with its final construction which ought not to be recognized or tolerated in Democratic tariff reform councils. * * * * * * *

"I take my place with the rank and file of the Democratic party, who believe in tariff reform and who know what it is, who refuse to accept the results embodied in this bill at the close of the war, who are not blinded to the fact that the livery of Democratic tariff reform has been stolen and worn in the service of Republican protection, and who have marked the places where the deathly blight of treason has blasted the counsels of the brave in their hour of might. The trusts and combinations—the communism of the pelf—whose machinations have prevented us from reaching the success we deserve, should not be forgotten or forgiven. We shall recover from our astonishment at their exhibition of power, and if then the question is forced upon us whether they shall submit to the free legislative will of the people's representatives, or shall dictate the laws which the people must obey, we will accept and settle that issue as one involving the integrity and safety of American institutions."

But the combined sugar trusts, and iron trusts, and whiskey trusts, and oil trusts, are trifling when compared with the combined money interests with which the people will have to contend in remonetizing silver and paying their bonds in gold and silver coin.

This combination of capital manipulates cam-

paigns and secures the nomination and election of its candidates. It strives to control all parties. It will, if possible, defeat its enemies, but if defeated it does not abandon the case but will turn this enemy into a friend with "golden arguments." To defeat it, it is required that those who have right convictions be chosen, and those who have sufficient firmness to meet all opposition in carrying out those convictions.

No company of grain speculators watch as carefully the growing harvests and the promise of future supplies as this combine watch the drift of public thought on this question.

The press that furnishes the reading and sways the thoughtless public obeys its bidding. The discussion of the financial situation and the causes, is studiously avoided. When forced as a matter of news the subject is at once dropped again and ignored as of no public importance. The great financial agencies, Dun and Bradstreet, have persistently failed to state the real issue. To review the files of their reports for some years past would be amusing, if it were not so serious and the results so sad. The people have been accustomed to look to them for a statement of the condition of business. The depressed and distressed condition has been stated week after week, but they have presumed to give the reasons of the depression, and these have been mere passing whims. "Want of Confidence," "The Sherman Bill," "The Tariff." They never tire of the tariff. "The Strikes," "The Coal Supply," "The Wandering Armies," "The President's Delay at Gray Gables," and other reasons equally idle. They have also uniformly held out the illusive hope that the worst was over, and that now

the tide is turning, while the tendency has been steadily downward and the distress and stringency increasing.

The writer is reminded of his father's decline and death. It was well understood in the whole community that his life was slowly being consumed away by the fatal ailment. When the writer went upon the street the inquiry day by day was, "How is your father?" The answers were varied. "He rested very quietly last night." "Not so comfortable. This wet weather has been unfavorable." "He unfortunately ate some fruit that did not agree with him." "He had too much company, and was made restless." "When bright days return we hope he may be around again." "His cough is less annoying." "His appetite has returned." "We do not think he is so well. He caught a bad cold." The real cause of his unchecked decline was seldom mentioned.

These commercial reporters well know the cause of this stagnation of business and paralysis of all commercial enterprise. The reasons assigned are but the weekly prattle about the small things that affect the body politic in its decline under the deeply seated and fatal disease.

There must be a concentration upon this monetary issue. Other issues are pressed by conscientious advocates. The tariff is yet, by the two great parties, to be the matter of dispute. While something must be said on the money question in the platforms, they are mere straddling resolutions or indefinite statements, like the prophecies of the Sibyls, which can be interpreted either or any way as the reader may desire, and ignored by the speak-

ers in their public discussions. After all the disputing the parties stand precisely where they stood upon this question half a century ago.

For fully fifty years the Republicans (Whigs then) and the Democrats, have been making a dog-trot on the tariff treadmill, and to-day they are on the exact spot where Clay and Polk were traveling. And yet how little difference between them! Read the following:

CLAY.

"Let the amount, which is requisite for an economical administration of the government, when we are not engaged in war, be raised exclusively on foreign imports; and in adjusting the tariff for that purpose, let such discriminations be made as will foster and encourage our own domestic industries. All parties ought to be satisfied with a tariff for revenue and discriminations."—*Speech at Raleigh, June 20, 1844.*

POLK.

"I am in favor of a tariff for revenue, such a one as will yield a sufficient amount to the treasury to defray the expense of the government, economically administered. In adjusting the details of a revenue tariff, I have heretofore sanctioned such moderate discriminating duties as would produce the amount of revenue needed, and at the same time afford reasonable incidental protection to our home industry. I am opposed to a tariff for protection merely, and not for revenue.—*Letter to John K. Kane, June 19, 1844.*

Everybody now believes in the old Whig platform tariff plank of 1844: "A tariff for revenue to defray the necessary expenses of the government and discriminating with special reference to the protection of the domestic labor."

Yet this old straw is to be threshed and re-threshed, while the burning monetary question receives no attention.

Great moral questions like temperance have earnest and conscientious advocates, yet we must not let our attention be so absorbed in fighting this sin that we permit public robbery.

This subject must be understood. There is a confusion of thought that must be cleared up. There is nothing mysterious about the financial sit-

uation that it cannot be readily grasped when attention is turned in that direction. There seems a settled purpose to confuse the public upon this subject. Silver is not money because it is silver. It is money only because it has the government stamp upon it and is exchangeable for gold upon presentation at the U. S. Treasury. It is money only as paper is money. It is money because it will command gold. Money might as well be made out of copper, or aluminum, or steel, or any other metal, as silver. It is the stamp that gives it the value. Yet three mints are running to full capacity stamping 412.5 grains of silver with the dollar mark. This is being pressed into use among the people.

Remonetizing silver is its restoration as a measure of value, so that the silver dollar will be a dollar because it contains 412.5 grains of silver, not as now solely because of the stamp upon it calling for 25.8 grains of gold. If all the money in use in the United States were made of silver it would not help our condition so long as the measure of value, the money of ultimate redemption, is gold only. If the government would issue only paper money redeemable on demand in gold, and collect the silver and sell it in the market as bullion, the people would much sooner understand that silver has been destroyed as money.

The only method by which a change of financial policy can be effected is by voting for a change and then following the representatives until a change is effected. This is the lawful method and the only lawful method. When the voice of the people is lawfully expressed and that voice is not obeyed, and the very forms of government are made oppressive,

then our fathers declared the right of revolution.

An act of injustice to the debtor like the doubling of the standard of values and then enforcing the collection by the arm of the law, is oppression that would have made the blood of "the boys of '76" tingle.

Twenty years ago Mr. Jones bought a small farm for $2,500, which he was to pay for in small payments on long time, $100 per year and interest, for twenty-five years. For twenty years he worked improving the place and paying annually the interest and $100 on the principal. Then sickness came and prices of produce went down, and no money could be gotten to pay interest or principal. Mr. Shylock came to him and said: "I really need and must have the money. It grieves my heart, but I shall be compelled to foreclose." And he foreclosed and the property was sold by the sheriff for cash. There was no money to be borrowed and so Shylock, under well assumed constraint, took the property for one-fifth of the amount for which he sold it.

The government by an act depressed the property, and doubled and more the debt, then took by force this property from the man who had paid $2,000 on it and the interest on the $500 for twenty years, and gave it to the man who made no claim to more than $500 in it. This is paralleled by thousands of cases in every part of the land.

Voting on this question is the remedy, and the remedy not yet applied. It will be the persistent effort of those who oppose remonetization to avoid a vote on this issue. If fairly presented and the vote fairly counted, the people will relegate to oblivion all who were implicated in the perpetration of these wrongs.

As the present depression was caused by the

change of standard money, while other reasons have been persistently urged, it may be expected, as the agitation increases and the probability of the restoration of silver as money of ultimate redemption becomes assured, that prices will begin to rise, and then other causes will be assigned and the plea made that it is not now necessary to restore silver as business has revived and confidence has been restored on the gold basis. The public should not be deceived.

Since 1873 there have been fluctuations and promises of prosperity as the interest in silver revived. The small rise in prices in 1878 and '79 was made by the passage of the Bland law, which brought into use more silver and looked somewhat toward its restoration as ultimate money. When the Department of the Treasury and the national banks determined not to use silver, there was a decline. There was slight revival again when silver certificates were put out, so that by 1889 there was not more than $2,000,000 in silver in the treasury that was not represented in the circulating medium in the form of silver certificates. The collapse of 1892 and '93 began with the decision of Secretary Foster and his associates in the Cabinet to pay out gold to all who demanded it, and not to use silver bullion in any sense as money. The known antagonism of the present administration to silver and the assurance from the passage of the bill repealing the purchasing clause of the Sherman law have sent prices downward since. The rise in price during August of 1894 for a few days was attributed rightly to the introduction of a free coinage bill into the lower house and the favor with

which it was hailed, especially by the people.

Through all these years prices have fluctuated as silver has been favored or ignored. We may reasonably expect then that the rising of an interest in silver will be accompanied by a rise in prices, but this rise will not be fixed and firmly established until it has been restored to its old place, with the implied pledge that it will never again be displaced.

ARGUMENTS FOR GOLD BASIS.

ARTICLE XX.

It has not been the policy of those who have desired the gold basis to discuss the question. The policy of changing the basis was not publicly discussed either on the stump like other important political issues nor was it explained and argued in the public press by any party. It was adopted quietly and the full import of the enactment was not appreciated until the resumption of specie payment. The baleful effect was felt at once, though the cause was not generally understood. Had the question been argued at the time, the demonetizing of silver could never have been accomplished. Were the question discussed in the press, the political, religious and agricultural press, now, there would be an irresistible demand for its restoration. The writer has been anxious to consider every argument that can be urged on both sides of this question. His purpose has been to fully weigh every word that can be urged for a single gold standard. He has examined every book, magazine article or newspaper paragraph that has been within his reach. He has found that those who are the most strenuous supporters do not encourage discussion of the subject. Many of those who have been acting with the most decided of the defenders of the single standard, claim that they sincerely desire, the return to a bimetallic standard, but find difficulties in the way they are not able to overcome.

"The Menace of Silver Legislation" by the director of the mint, has had a baneful influence in perverting public opinion on this question. That article was written about the close of 1890, and with the full light of the years of distress that have followed, it perhaps would not now be written, and yet it is somewhat prophetic. In the close of that article he says: "The suggestion of an international monetary agreement is too often looked upon as an evasion; but, we repeat, it is the only solution.

"It was by the combined action of various nations in discontinuing the use of silver as money that the link was broken between silver and gold. It will be only by the combined action of nations of sufficient commercial importance to maintain a ratio that the link will be united.

"We may yet entertain the hope of such concerted action. Eventually the embarrassments arising from the attempt to use one metal alone as the measure of value and the medium of exchange may become so intolerable that commercial nations may find it to their advantage to join the United States in the remonetization of silver."

In his official report in 1888, page 102, he had said, "Neither metal alone exists in sufficient quantities to serve as a sole standard without causing such a change in the level of prices as to amount to a financial and a commercial revolution."

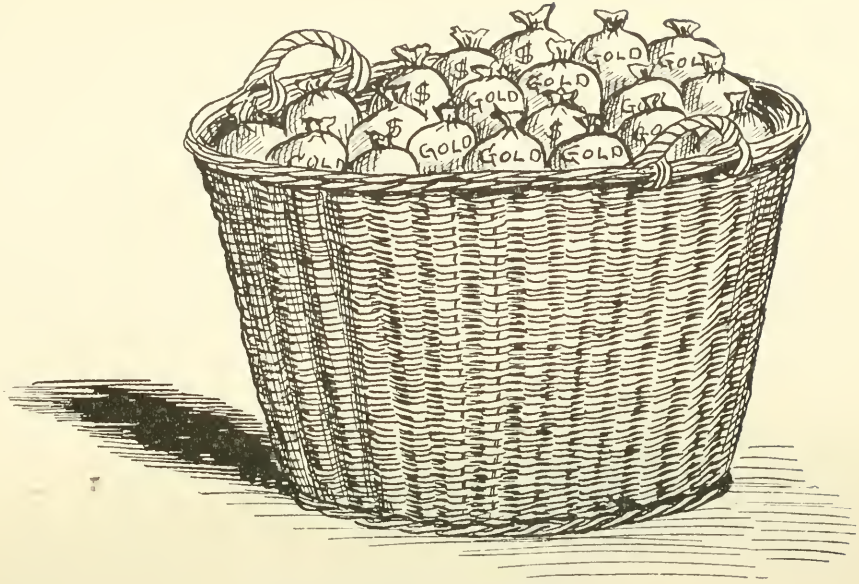
As the United States has led the attack upon silver, and there is not sufficient gold for a sole standard, the United States should lead in the restoration.

Often the defenders of a single basis speak of the question with an *hauteur* and arrogance that disdains

discussion. The proper function of money may be studied successfully by those who have not bent their energies to securing it, nor spent their lives in handling it. There is no occupation more contracting to the mind and narrowing to the soul than the bending of every thought and energy to the gathering of money. The farmer quietly following his plow, the mechanic at his bench, the Christian minister in the quiet of his study without personal interest in the question and accustomed always to be on the alert for that which may be helpful to men, may be presumed to take quite as broad and careful and just a view, as those whose ambition is solely to get money, and whose waking thoughts are absorbed in devising ways and means by which it can be done. The question must be separated from the person before it can be fairly considered. If a cause is to be submitted to a jury, that jury must be free from personal interest in the decision, else righteousness will be perverted.

This high argument, of assumption, is effectual in overcoming the thoughtless and weak. The following is the latest from a leaflet sent to all bankers: "The question is, even if it were worth the trouble, could governments be depended upon to regulate such problems? 'Governments! What are they? Tribunals full of people who have no intellectual interests in financial subjects; no qualification of any sort or kind for dealing with them, themselves elected by constituencies still more unfit, with little conception of the value of problems, and no means whatsoever of forming practical conclusions.

"How would you like, for instance, to have Mr.



PERSUASIVE GOLD ARGUMENTS.

SATAN: "Money brings honour, friends, conquests and realms:
What raised Antipater the Edomite,
And his son Herod placed on Judah's throne,
Thy throne, but gold, that got him puissant friends;
Therefore, if at great things thou wouldst arrive,
Get riches first, get wealth, and treasures heap.
Not difficult, if thou hearken to me:
Riches are mine, fortune is in my hand;
They whom I favour thrive in wealth amain;
While virtue, valour, wisdom, sit in want."

—*Paradise Regained.*

Peffer decide these problems, or Mr. Simpson, with his sockless financial reputation?"

The strongest argument for a gold basis is gold itself. It has a potent influence to control the will that all arguments that appeal to the reason cannot overcome. Even scruples of conscience are soothed by it. When promotion to a position of honor or relegation to obscurity depends upon the decision, it can hardly be unbiased. Patronage or disgrace, affluence or poverty, are alternatives that do not favor an impartial judgment.

Its power is nowhere more clearly seen than in its control and direction of public thought. This question is not discussed but ignored. There is not often a positive statement of untruth, but this question of vital interest is pushed aside by irrelevant and unworthy public questions. How the press reporters have filled the columns with the Sherman bill, the Hawaian question, the wandering "Armies," that would never have wandered had it not been for the newspapers, the social scandal and the never ending tariff. When the public thought swings irresistibly toward this subject, it is intelligent and enthusiastic. The people long for a full and clear discussion of the subject, but no time is lost in turning attention to other subjects. There is no denying that gold itself is the most difficult of arguments to meet and overcome. It directs public thought and threatens to relegate to private life any public man who undertakes to refute it.

"The change has been made and the evils have been suffered." "Why disturb the standard which has been for twenty years the base of all values."

The evils are not over; they have only begun.

The policy of those who have advocated the gold basis is to give rosy pictures of the near future while there is nothing seen upon which a solid hope of relief can be based. It is interesting, and sadly amusing, to go over the files of the papers of 1893, especially the commercial and financial reports, and find that each week promised relief, conditioned upon some future event. In August of that year the assurance was given week after week that "the worst is over." Immediately on "the repeal of the purchasing clause business will revive." Business will revive at once on "the settlement of our coal strike;" upon the settlement of the tariff "one way or the other." The evils have been thickening each month, and all these promises of relief have been in vain. The *ignis fatuus* lures the lost traveler over the swamps and mire, deeper and thicker, until he is exhausted; so there has been an alluring encouragement held out to the people, while their resources of strength are giving way, and their hope and courage are failing.

But there has been no adjustment to this new basis. There has been no modification of public salaries and fees. Railroad fares and rates of freight have not been divided by two, nor reduced at all. Bonds and debts, leases and obligations of every kind, are binding though doubled. Wages have not been adjusted and cannot be, without more expensive strikes yet to follow than that of Homestead or Pullman. Rents must be lowered, yet often debts are pressing the owners so that they cannot be reduced without ruin. The only parties who have an interest in holding the position unchanged are those whose property is in money, well secured, whose purchas-

ing power has been so greatly increased, and those who have a fixed annuity or salary.

"The standard of our money should be a standard recognized all the world over; that standard is gold."

The force of this is based on the assumption that the balances in trade among the nations are settled in money. There is no international money. Gold is used in the settlement of balances as a commodity only, and is weighed like iron or cotton. Gold bullion is just as good and better than gold coin for the purpose. The coin will be melted and moulded into the coins of the other country. We need not wear out our dies stamping gold for international settlements.

In commerce we exchange the articles we can spare for the articles we need. We load a cargo of goods for China and bring back a cargo of teas and silks. The cargo taken out is expected to pay for the cargo brought back. If the cargo taken out does not fully pay the return cargo, the balance is met with gold bullion. We do not want their money nor do they want ours. They would have preferred more ginseng than gold. We had not the ginseng but we wanted the teas.

In our commerce with Great Britain, closely allied as we are, the balances are in bullion or coin at bullion value.

The great bulk of the business is domestic, and nations are accustomed to have as their medium of exchange and regulated by their laws that which is most convenient and best adapted to themselves. This is a question to be settled for our domestic trade, which far surpasses in a week the foreign trade of a whole year. Why subordinate all the interests of the people to an ideal purpose? We are

on the gold standard now and yet our gold bullion is weighed out just as it was on the bimetallic basis.

Silver has always been the metal of the people. It has been regarded as their friend and is the coin used mostly in all the smaller transactions of life. It is in the people's pockets, while gold is and always has been, principally, piled up in the vaults. Silver is democratic. It is wealth distributed. Gold is monarchical. It is power concentrated. We may be attracted by the glory of the concentration, but it is unsafe. The Hebrews desired a king that they might be like the nations. A king was given, but in wrath, who cursed them. We are now experiencing the result of our vain desire to be like the kingdoms. Why did we not cleave to France—a prosperous republic and always our friend?

"The bimetallic basis is inflation."

If remonetizing silver is inflation then demonetizing must have been contraction, and the placing of silver back in its old place would be only restoration. If the creditor class would be injured by inflation, the debtor class must be suffering from contraction, and restoration would be an equitable and righteous adjustment. The old dollar unchanged from the beginning until 1873, is the silver dollar of 412.5 grains. This from 1834 to 1873 was more precious than gold, and all debtors met their obligations in gold because it was the cheaper metal. Gold was then for 40 years the inflated base.

Inflated currency is not the same as inflated base. Three mints are now running, coining silver dollars and inflating the currency. There is plenty of currency. The object of this coining of silver, of full weight of 412.5 grains, is difficult to understand,

unless it is intended as a kind of "pious fraud." Why make the money out of silver? It could be made much faster and cheaper on paper and be just as good. Every dollar calls for 25.8 grains gold whether stamped on paper or silver or any other material. The inflation or enlargement of the standard would be to make every silver dollar a dollar because it contains 412.5 grains silver. The contention is for this enlargement of the base.

But we should have "sound" money.

The money is not "sound" that has no basis on which to rest. Monometallists contest to the last degree the theory of paper money without a metallic basis. Mere printing of money, which means nothing definite, a name only, that has power as currency, but is no measure of values. Their own position is not much better; they urge that great volumes of currency shall be floated on a metallic base, utterly insufficient for its redemption. This is the condition to-day. There is about $1,000,000,000 currency, aside from the gold coin, afloat, and all calling for gold, and no gold to meet any part of it. Even the borrowed gold is gone. How absurd to call that "sound" money. It is but little sounder than irredeemable paper money. "Sound" money has a sufficient basis and can be redeemed on demand. On a gold and silver basis every call could be met promptly. Let this be the policy of the government; and silver could be paid or gold, at the convenience of the treasury, and all our currency would be at once "sound" and permanent. The present money is big but it is not "sound."

This "remonetizing of silver will favor the owners of silver mines." To a sincere protectionist this

should be a decisive argument in its favor. The mining interests in eight states are paralyzed. The machinery is rusting and crumbling, decay is settling during these years over camps and communities that were full of life and business, and this is caused by positive legislation, that was not asked for by any political party nor was it enacted for the public good. A great wrong was committed against these interests that should be righted.

Aside from this their product was for the welfare of the whole people. We consumed and needed their product. Having destroyed it, we find it affects the wheat and cotton fields, the iron furnaces and the factories. No interest could have had a wider influence. We do not go hungry for flour because we will favor wheat farmers, nor in rags because we will favor cotton planters, nor cold because we will help the coal miners, nor in darkness because we build up the Standard Oil Co. Why should we pauperize ourselves and go penniless and lose our homes to avoid helping the silver mine owners?

"It discriminates in favor of the miner. Why should he take forty cents worth of silver and have it coined into a dollar?"

This sounds bright and smacks of wit. If everything is to be measured by gold, then whoever brings 100 cents worth of wheat, or corn, or meat, or fruit, or iron, or lead, or silver, can exchange it for a dollar. This is no gain, no advance. The contention is for a return to the old measure of values. Now 25.8 grains of gold is a dollar, and .258 of a grain is one cent. Forty cents now means gold cents.

The dollar of our daddies, all through our history

until 1873, was 412.5 grains of silver, and one cent 4.125 grains silver. Now what is asked is that the old cent and the old dollar be restored, the old measure of values. That whoever brings 100 old cents worth of wheat, or corn, or meat, or fruit, or iron, or lead, or silver (i. e. 100x4.125 grains) shall receive one dollar. There is no discrimination in favor of the miner. There is sought only the restoration of the old measure, the old prices, to all commodities and to silver as well.

"Our gold will leave us." Gold is leaving us now. About three times as much is going from us this year as we shall gather from our mines, and at this rate in a few years, with our single basis, our gold will be all drained away.

If there was a promise of relief in the export of gold there should be no objection. We should not make it a fetich, before which we bow and for which we sacrifice other interests. Gold is our servant and should serve us in time of need. We cannot eat gold nor be warmed by it. We can only be blessed by it when we part from it. If it does not serve our need in distress, we might as well load the whole in a vessel, and one vessel would carry it all, and then tow it to the unfathomable depths of the ocean and sink it. Better far than to retain it, a menace to society and a means of enslavement of the people.

An old man not far from where I now write has a hoard of gold; he lives in squalor, his house is a shed, his clothes rags, and his food scanty and the plainest, for he is saving his hoard of gold. He is called hard names by his neighbors. Yet we are told to endure our suffering and make the best of it or our gold will disappear. We are not willing to stand

guard, hungry and in tatters and rags to guard the gold. Now is our time of need, let it serve us. This gold is held mostly, too, by the banks, which have collected it and gold certificates into their coffers, and have kept the silver, so far as possible, among the people. Let the gold go if it will bring the desired relief.

But why should gold leave us? It will not so likely leave us as now. This is not a theory but a condition that confronts us. Yet with the condition we can intelligently seek for the cause.

There can be no question when we examine the decline in prices of these last years, that the depreciation of silver has, in the markets of the world, depreciated the prices of all our products. We have taken a leading part in that depreciation of silver. Our wheat, cotton and all our products have declined until in the foreign market they do not command more than the half of former prices. Our national debt and our municipal and railroad bonds are largely owned abroad, upon which the interest must now be paid in gold; but our cotton, wheat and every staple sent abroad does not pay more than half the interest that they paid formerly, that is they do not now meet the demands, and there is no escape from making up the deficiency in gold bullion. We should have plenty of goods to meet all foreign claims at the old prices, but now it takes both our produce and our gold to meet the obligations. Did we owe nothing abroad our exports would pay for what we buy and more, and gold would be flowing in upon us; but when we pay the interest on the claims against us more is required than we can produce.

The farmer who owns his farm free from debt can

now take his produce to market and buy his groceries and clothes, even with the low prices, and have a small balance of change to take home; but the farmer who has a note at the bank must leave all his produce to meet his indebtedness and go home with the bare necessities, and also the consciousness that his debt has not been decreased, if even the interest is fully paid.

To turn the current of gold we must get better prices; and to get better prices we should protect the pricing material. The farmer will do his utmost to protect and increase the price of his produce. This is the only nation on earth that ever depreciated the price of its own exports.

"We will be flooded with the world's silver." Why should we be called upon to throw up our hats and shout when gold returns to our shores, and go into sackcloth when silver is imported? There is no nation in Europe from which it can pour. There is none to spare. France has the largest supply, $600,000,000. France is bimetallic at the ratio of $15\frac{1}{2}$ to 1. Why send it here where the ratio is 16 to 1? Germany has $145,000,000, mostly small change, and has nothing to spare. Besides there is an agitation to return to bimetallism that would check any such tendency. The United Kingdom has only $100,000,000 in subsidiary coins and none to spare. The Scandinavian Union has only $10,000,000 and needs more. We were producing 57 per cent. of the world's supply. It is not likely that silver will be returned to us while we are producing at this rate. Coals would just as soon be carried to Newcastle.

If our bonds were met in silver, as they may be by the literal condition and understanding, then our sil-

ver could meet our bonds held abroad and we could export for that purpose. Whoever, until this day and in this particular instance, hinted that it was not just and honorable and all that the highest integrity demanded, to pay obligations promptly and exactly according to agreement?

A small pamphlet in a gold-colored cover has been widely distributed among bankers, entitled, "The Gold Standard; the Best for the United States: An Argument for a Single Standard of Gold." A number of copies have been handed the writer. We note the points of this argument:

"Mr. President and Gentlemen of the Liberal Club: There are in operation throughout the universe and coincident with the community of man, certain great laws which are as unerring in their workings as the laws of nature herself, and no decree of man or State can swerve them from their relentless course. Recognized by man, given full sway, and with human laws conformed completely to them, they become the gentle friend, even the abject slave of man. But thwarted, withstood, or met with dissembling action, they become cyclone breeders of disasters and bloodshed.

"These are the laws of trade and commerce.

"Let the puny populist, raising his sacrilegious hands, pipe out 'Let there be money,' and they will grind him to powder and scatter him with the wind-swept dust of his Western prairie.

"Let the Assignat-maker of France turn loose his worthless decree-sustained paper money, and these laws will wipe out his tribe with the flames and blood of a revolution. Distress and disaster follow in the wake of commerce's laws broken—mellow prosperity ripens under their sunshine, if profoundly kept.

"It is no wonder then that we turn with much interest to see what history records as to the action

of these laws regarding the standard of value, and we find that commerce in every age has decided what shall be the standard. The decision of this century is for gold."

The indefiniteness of the term "commerce" may here be noticed. It is an impersonation of something. It must mean those who manipulate the monetary interests of the world. These interests are now gathered into the hands of a few. The struggle is to get free from this tyranny of "commerce" that dominates the nations. The assertion that there is such a dominating and controlling force should arouse every impulse of freedom.

"England, Germany, the United States, Belgium and Holland, Austria and Russia, have recorded this decision. Says the report of the Special Commission of the Austrian Upper House in 1879: 'It has become clear as long ago as the decade of 1860 and 1870. when Europe was becoming saturated with gold, that this was the only metal fitted to be the standard of nations of advanced civilization.' 'Gold was dominant and the standard of value,' says this report, 'in all trade on a great scale, as early as the fourteenth and fifteenth centuries, even though silver was then the standard in all domestic exchange.

" 'In every age there is some metal dominant in the industry of the world, which forces its way with elemental strength in the face of any public regulation, and in our day gold is that metal.'

"Why has this decision been made?

"Because commerce insists on the best medium for its own requirements.

"Commerce in this last century has needed a metal, precious but still of sufficient quantity to be used as an every-day medium of exchange—fusible, ductible, malleable, easily divisible, indestructible, or nearly so, and of vast purchasing power, concentrated in small bulk.

"Has silver these qualities?

"It is fusible, ductile, malleable, divisible, not so easily so as gold but sufficiently. It is practically durable, not so nearly indestructible as gold but nearly enough.

"Has it vast purchasing power concentrated in small bulk?

"No. Silver has not vast purchasing power concentrated in small bulk.

"During the deliberations of the Brussels Conference, M. Rothschild, delegate from Great Britain, says: 'Our firm have, on several occasions, been obliged to send a million sterling in sovereigns or bar gold abroad, which million, when packed up, amounts to about 10 tons. Is it likely and even if desirable, would it be feasible and practical, supposing a ratio of 20 to 1 were established, to send 200 tons of metal at one and the same time? It seems to me that the operation would be impossible, and the sender would, therefore, naturally elect, or rather be compelled, to send gold, even if it had to be bought at a premium.'

"It is the old law of natural selection and survival of the fittest, and, for the same reason that in turn iron, lead, tin and copper were dropped, so silver has fallen out of place in international commerce.

"And yet it is a beautiful metal; so surpassingly brilliant, says our distinguished guest here to-night, in one of the standard works which have made his name known wherever money is made a study of, so surpassingly brilliant, that it almost justifies the preference expressed by the barefoot boy of Sir Walter Scott, 'Give me the white money, please.'

"The barefoot boy of commerce of the old centuries has grown to be an enormous giant in these latter days. He has, perhaps, lost his gentle manners, for now, when he is offered the white money, he thunders out the demand 'Give me gold,' and he speaks in English, German, French, Hungarian and a lot of other languages, and he doesn't say 'please.' You would think his thunderous tones would frighten

such meddling, blatherskite financiers as Mr. Bland, but they do not, and I have come to the settled conclusion that Mr. Bland's ears, however well developed they may be in other directions, were not made for hearing."

The argument for larger concentration of value is scarcely worthy of mention. The mere convenience of removing large sums on possible occasions that seldom occur is of little importance, when the whole monetary interests of the world were under consideration.

To move the $5,000,000 would require a train of fifteen cars of silver or one car loaded with gold. The concentrating could be carried further if thought convenient and transmit the great values in precious stones. Then possibly a man might carry a million in his vest pocket. The truth is, wealth is far too concentrated now.

On reading the above no one can fail to feel that to accept the secretaryship of the treasury would be a condescension for the speaker.

The giant "commerce" of to-day is vague and doubtful. It must be the great monetary combine and the numerous trusts.

"I do not think the bimetallists anywhere deny the superiority of gold for the purposes of the commerce of to-day.

"I have quoted from one of the works of Mr. Walker. He says further in his volume on money:

"'The extreme beauty of silver, brightest of all the metals, together with its numerous applications in the economy of life, make it an object of admiration and desire among peoples in all degrees of social advancement. Easily fusible, highly ductile, pratically imperishable, silver would have filled our utmost conception of a money metal had not the earth yielded

one transcendent product in comparison with which even silver fades from desire.'

"That product is gold, and of gold Mr. Walker says: 'Its compendious value allows a vast amount of purchasing power to be concentrated, for conveyance or for concealment, in little bulk. A small planchet of gold has the power to command the labor days. But while thus precious it is found in sufficient quantity to allow of its convenient use as an every-day medium of exchange. Its durability, fusibility, ductility and malleability form a group of properties of the highest importance for the purposes of coinage and circulation.'

"The choice of the world, then, is gold. The question, then, it seems to me, narrows itself down whether or no there is, and will be, enough gold.

"I desire for a moment to leave the question there and briefly to cite some of the principal objections to bimetallism.

"GOVERNMENT INTERFERENCE.

"And first to the interference of governments which would be necessary in the adoption of international bimetallism. What are the functions of a government with respect to standard money? What ought it to attempt and what can it properly effect? The best thought of the nineteenth century, among unprejudiced economists, approves of as little interference of governments as is at all possible in the affairs of commerce. We have had some sad examples in this country of disasters which follow upon a violation of this principle. Our own silver bubble, which had been filling with wind since 1878, has burst at last, leaving blighted hopes and empty factories, and hunger and cold, instead of the soapy rainbows that our inflationist statesmen so loved to look upon. And these windy criminals are still mussing around in the suds endeavoring to blow up seigniorage and other silver bubbles."

He spurns government interference only when his interests are likely to suffer. Why not deprecate

the interference in 1873? The whole company of manipulators approve that act, but ask to be let alone now. They have no use for law except when it can serve them.

"And now as to the experience of France. It is claimed as a principal argument by the bimetallists that France, from 1803 to 1873, under the free coinage of both gold and silver, was for 70 years successfully bimetallic at a legal ratio of $15\frac{1}{2}$ of silver to 1 of gold.

"To this the monometallist replies that in order to be trully bimetallic, gold and silver in a country must be used indifferently as a legal tender. Carefully prepared tables show that from 1803 to 1873 either one metal or the other was at so serious a premium that they could not possibly pass as equivalents. At a premium of from 1 to 2 per cent. no man would think of paying a debt of $500 in a metal that would cost him $505 or $510 to procure! And that was almost continuously the condition, and at times the variations were very much wider, running as high as $7\frac{1}{2}$ per cent. in two instances. For instance, in 1813, 16.25 to 1, and in 1814 15.04 to 1; or $7\frac{1}{2}$ per cent. variation, and about the same difference in 1819 and 1820.

"In 1850 came the immense gold finds of California and Australia. Up to that time France, since 1803, had been practically on the silver standard, and gold was at a premium, except in a very few years, at from 1 to 2 per cent. From 1850 on, France went to the gold standard and stayed there until 1867. Then the great change began again, until in 1874 she must suspend the free coinage of silver or go over absolutely to the silver standard. She suspended it and to-day is on what is called the 'limping standard.'

"The conclusions are that France was never truly bimetallic."

It is urged that bimetallism implies that the metals must everywhere be equivalent or that there is practically a single standard, and France is

declared to have been practically on a gold basis because silver was at a slight premium, and the United States is said to have been on a gold basis since 1834, because the premium on silver was such that it could not be coined, for gold, so to speak, was cheaper. It is true that silver was not coined by our ratio. It was too precious to coin, the bullion price was too high, yet the standard remained. Indeed this was used as an argument to show that the silver could be removed.

The strain upon a rope may not be on each strand exactly alike and yet if we undertake to remove the loose strand we destroy the rope. When the strain comes the single strand is easily broken. The house may not rest down with equal weight upon every pillar; that may be the ideal but seldom occurs in fact, and pillars may be removed without an immediate apparent damage, yet when the storm and strain come and the foundation is tried, the necessity of the destroyed pillar is easily seen. So silver was taken away, but when the full strain and weight came upon gold there was nothing to come to its aid; no pillar to check its fall, and the whole commercial fabric collapsed.

Complete equivalents are not possible, nor is it necessary that the two shall be in general use in the same country. The precious metals must do the business of the whole world. It is not necessary that the same metal shall be in use in every land. The exclusive use of one metal in a country leaves the other metal free to flow into another. This is the reason Great Britain could so long maintain a single gold standard because all the world beside used both gold and silver and more silver than gold, so that

the exclusive use of gold in the United Kingdom caused little inconvenience.

Wheat, oats and corn may be the base, in a manner, of human vegetable food. It is not necessary that in all countries they be held in equal esteem and be used as interchangeable equivalents. We can let the Scotchman have his oats, and the Englishman his flour, and the American his corn-meal, and these cereals go as far as if we should attempt to make the Sotchman choke himself upon our mush, or annoy the Englishman by compelling him to take his portion of the oat-meal, which he loathes. The corner comes on a grain when all peoples use the same cereal. We could make a great market for our corn if we could keep the nations from using wheat and oats.

If Mexico uses silver only, then gold is free to be used elsewhere, but the ratio is maintained. If Austria-Hungary decided not to use silver longer but to buy gold, then her silver is free to flow elsewhere. The strain comes when there is this general movement to one metal which our own government was among the first to inaugurate. For us to use only gold as money at the dictation of another nation, is as absurd as to stop eating corn and oat-meal and change our diet to that of beef and wheat bread because that is the staff of life in that country. This slavish acceptance of a gold standard because it is English has no better foundation.

FALL OF PRICES.

"Now as to the fall in prices brought about by scarcity of gold, the monometallists claim that in the last fifteen years gold prices have fallen twenty per cent. while silver prices have remained unchanged.

If then the two had been linked together the fall would have been one-half, that is ten per cent. If, in other words, we had had international bimetallism, there would anyway have been a fall in prices of ten per cent. in the last fifteen years. The evil then (and it is claimed by some that it is not an evil) of falling prices could not have been prevented. This evil will go on any way, say probably to the extent of ten per cent. in fifteen years, and it must be met. Great gold discoveries or great extension of bank paper temporarily prevent, but the fall afterward continues, and bimetallism cannot stop it.

"There is, however, quite a ray of hope, as I shall afterwards show, in the increase in gold production in the last two years.

"There is a great deal of talk about the distressed condition of the world ascribed to the fall of prices and used by the bimetallists as a grand argument, but Mr. David A. Wells, that most distinguished economist, accounts for the fall in price of all staple articles of commerce, which really have fallen during the last twenty years, by the economy of production and the economy of transportation."

This is a dear admission that both metals combined are not sufficient to keep the ratio of money to property, which we have endeavored to show in the preceding pages.

"Mr. Atkinson also says: 'The gold standard's great and complete justification in this country is to be found in the fact that since specie payment was re-established upon the gold unit of value on the 1st of January, 1879, there has been a progressive and almost continuous reduction in the prices of the necessaries of life accompanied by such improvements due to science and invention in their production, that there is not a single important article that can be named of which the reduction in price is not more than justified by the reduction in cost due to labor-saving improvements, which have been

applied either to primary or secondary production and to distribution since that date or since 1873. On the other hand, the lawful unit of value, a gold dollar, is completely justified by the benefit which has ensued from its adoption, to that great majority of the working people of this country, who earn their daily bread through salaries, earnings or wages.'"

If wages could continue at silver prices and necessities be bought at gold prices, then of course more can be bought; but the query is, how labor can have the same reward and yet the products of labor be cheapened. This quotation of the speaker from Mr. Atkinson was likely written before the 3,000,000 of laborers lost their places and the aggregate wages of all labor was reduced one-half.

"Mr. White, replying to the argument that national and state debts are enhanced by the gold standard, wants to know why the standard of value for all the countless, daily business transactions should be changed simply to meet this point, when the clearings for one week in the United States amount to about $1,100,000,000, which is about double the interest-bearing debt of the nation. He says: 'Add to this the payment of wages and the retail transactions not embraced in the clearings, and multiply it by the fifty-two weeks of the year, and you will see how large a cannon you are loading to kill a mosquito and what a tremendous recoil it must have.'"

This, like the quotation from Mr. Atkinson, was written by Mr. White likely before the effects reached down to all the minute transactions of daily trade. Were this carefully reviewed by him now he could see that the evils in the every-day transactions surpass by hundreds of millions that which he foresaw so clearly in the increase of the public debt. Distress

in individuals infinitely surpasses that of the nation at large.

SUPPLY OF GOLD.

"I would like now to turn back to the conclusion reached in the early part of this address, namely, that the question has narrowed down to whether or not there is or will be gold enough for the gold standard? On this point a recent article on the production of gold throws pertinent and most encouraging light. It is shown that the gold production in 1892 was $138,000,000, which is more than the average of the great years from 1850 to 1860; that the production for 1893 will probably show $150,000,000, an increase even over 1892; that this increase comes largely from the recently discovered South African gold fields, that they may be expected to constantly increase, and will probably not reach their maximum figures for the next thirty years. Those who know the country well think that there is a gold field in the Transvaal that will not be exhausted for centuries, and that the output now ranging between $20,000,000 and $30,000,000 will be increased in three or four years to $50,000,000, and that this can be kept up for a generation from these mines alone, which are now being worked. What with new processes enabling ore containing only $2.00 in gold a ton to be worked profitably, and a steady increase, guaranteed from Africa, Mr. Fraenkel, the author of the article, concludes: 'It is not impossible that in a few years a quantity of gold not far from $100,000,000 will be available for monetary use. If this should prove true, it would seem futile to speak of an impending scarcity of gold.'"

This whole estimate of the world's supply is based upon theory. Of all things theorizing on gold mining is the most unreliable. Chevalier argued so learnedly that Germany demonetized gold in 1857. We know his blunders were very great when he assumed that California's gold would continue and in-

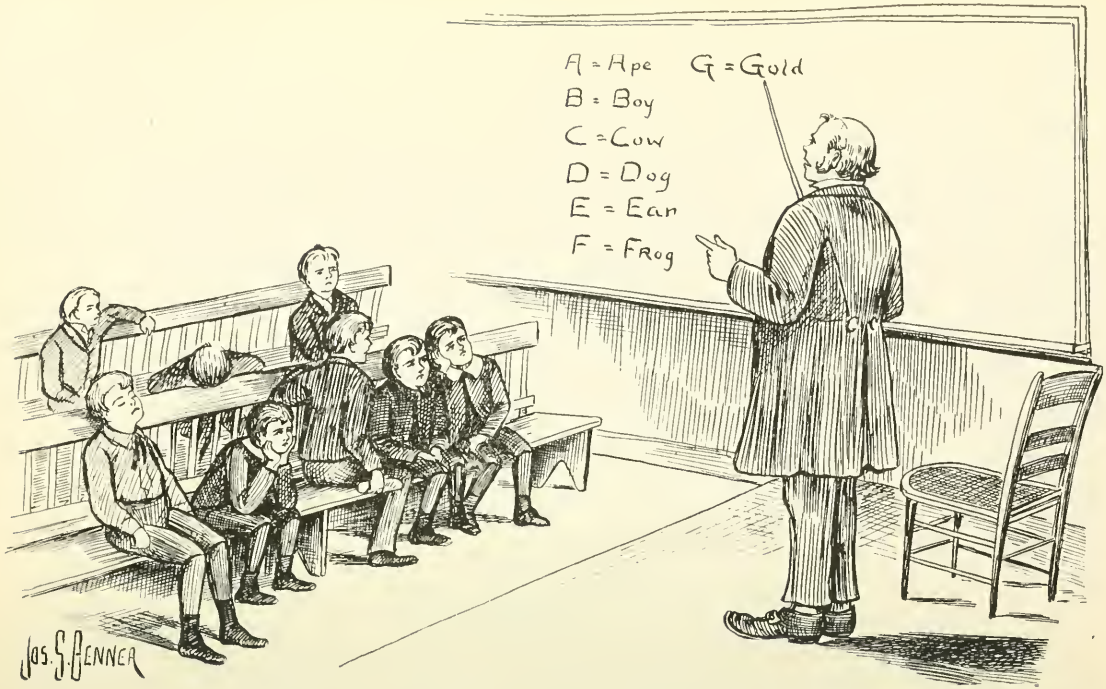
crease. This writer guesses at the output of unknown fields that may be discovered in the only portion of the earth that has not been thoroughly explored.

"Why has this been chosen? Let me give Mr. Atkinson's own words: Because the unit of gold is the safest, surest, least costly, and most convenient standard and method of determining the relation of one commodity to others, in the exchange in which commerce consists. If it had not been the safest and best unit, some other would have been discovered and adopted. This unit or standard of value has been slowly developed as an international measure in the progress of mankind, without regard to legislation of any kind, and without the intervention or interference of any act of the legal tender."

Safest and surest for whom? For "commerce?"

"The distress and misery of falling prices appeal to us, but although the bewildered Dame charged it to cowardice, we of commerce would 'rather bear the ills we have than fly to others that we know not of.' Let us by private and public charity do all we can to relieve the world's distress; but here in this favored land let us accept open-handed the golden prosperity which commerce is ready to pour down to us, firmly convinced that gold, the best, is none too good for Americans."

That is: This gold business has caused endless wretchedness, but "we of commerce" would prefer to accept the situation and take the profit, and then by our charity as our hearts are touched by the misery "we of commerce" have caused, come to the help as best we can of the pitiable sufferers. There must be justice before mercy can be shown. We cannot oppress and rob with one hand and make a righteous balance by gifts of charity with the other. Neither the moral law nor the golden rule will permit it; yet this is the final exhortation of this widely distributed address.



"THE A B C OF FINANCE." ANDREW CARNEGIE, SCHOOLMASTER.

ADDENDA.

I.

UNITED STATES.

The declarations of the four national political parties, in their platforms in 1892, upon the monetary question, are as follows:

DEMOCRATIC.

"7. We denounce the Republican legislation known as the Sherman act of 1890, as a cowardly makeshift, fraught with possibilities of danger in the future, which should make all of its supporters, as well as its author, anxious for its speedy repeal. We hold to the use of both gold and silver as the standard money of the country, and to the coinage of both gold and silver without discrimination against either metal or charge of mintage, but the dollar unit of coinage of both metals must be of equal intrinsic and exchangeable value or be adjusted through international agreement, or by such safeguards of legislation as shall insure the maintenance of the parity of the two metals, and the equal power of every dollar at all times in the markets and in the payment of debts; and we demand that all paper currency shall be kept at par with and redeemable in such coin. We insist upon this policy as especially necessary for the protection of the farmers and laboring classes, the first and most defenceless victims of unstable money and a fluctuating currency.

"8. We recommend that the prohibitory 10 per cent. tax on State bank issues be repealed."

While many regard this as a clear assertion of support of the free coinage of silver, yet it is fair to say that Mr. Cleveland, nominated upon this platform,

was known at the time to be a decided monometallist.

REPUBLICAN.

"The American people from tradition and interest favor bimetallism, and the Republican party demands the use of both gold and silver as standard money, such restrictions to be determined by contemplation of values of the two metals, so that the purchasing and debt-paying power of the dollar, whether of silver, gold or paper, shall be equal at all times."

This demand for the use of both gold and silver as "standard" money was not understood as calling for a return to the double standard.

PROHIBITION.

"The money of the country should be issued by the General Government only, and in sufficient quantity to meet the demands of business and give full opportunity for the employment of labor. To this end an increase in the volume of money is demanded. No individual or corporation should be allowed to make any profit through its issue. It should be made a legal tender for the payment of all debts, public and private. Its volume should be fixed at a definite sum per capita and made to increase with population."

This plank in the platform was so subordinate to the temperance idea that it received no attention and was not publicly discussed in the campaign.

PEOPLE'S.

"The national power to create money is appropriated to enrich bondholders. A vast public debt, payable in legal tender currency, has been funded into gold interest-bearing bonds, thereby adding millions to the burdens of the people. Silver, which has been accepted as coin since the dawn of history, has been demonetized to add to the purchasing

power of gold by decreasing the value of property as well as human labor, and the supply of currency is purposely abridged to fatten usurers, bankrupt enterprise and enslave industry.

* * * * * * *

"We demand a national currency, safe, sound and flexible, issued by the General Government only, a full legal tender for all debts, public and private, and that without the use of banking corporations.

* * * * * * *

"1. We demand free and unlimited coinage of silver and gold at the present legal ratio of 16 to 1.

"We demand that the amount of circulating medium be speedily increased to not less than $50 per capita."

These resolutions were not made prominent in the People's Party papers, nor in their platform discussions. Criticisms of the weaknesses of the old parties, and the government ownership of railroads and telegraphs and telephones, and other matters embraced in the platform, absorbed attention.

All parties *seem* to favor silver, yet every effort looking toward its true restoration to its old place as a measure of values has been defeated, whatever party was in power.

ADDENDA.

II.

GERMANY.

DECLARATION OF THE BIMETALLISTS OF THE GERMAN SILVER COMMISSION, 1894.

This declaration is appended as showing the present drift of thought upon this subject in Germany. The calling of the Commission itself showed a dissatisfaction with the single gold base. This Commission was to discuss the situation, but its determinations were in no sense binding, and it, in fact, determined nothing.

The eminent scholars who have put forth this declaration, are worthy of the highest consideration.

President Andrews, of Brown University, kindly permits us to use his excellent translation:

President's Room,
BROWN UNIVERSITY.

PROVIDENCE, R. I., Sept. 8, '94.

My dear Mr. Elliott: You are more than welcome to use the translation * * * * * I am glad you are coming out with so good a book.

Yours,

E. BENJ. ANDREWS.

The undersigned, members of the German Silver Commission, believe themselves compelled to draw from the course of the Commission's proceedings the following conclusions:

INCREASED PURCHASING POWER OF GOLD.

I. We consider it proved by science and experience, and partly, in fact, by the admissions of promi-

nent adherents of the sole-gold standard, that the power of gold to purchase goods has risen since the general extension of the gold standard (1873), is still rising to-day, and must continue to rise.

Our grounds for this belief are:

1. The rise in the purchasing power of gold, that is, the general fall in the price level of commodities, was predicted by the well-known monetary writers, Wolowski and Ernst Seyd, in 1868, before the introduction of the gold standard. Their prophecy was repeated later by E. de Laveleye and Carey. Even Dr. Bamberger said, in the session of the Reichstag May 29, 1873, according to the stenographic report: "On the contrary, gentlemen, I fully agree with one of the speakers who have preceded me, that a greater demand for gold will result from our gold policy and the similar policies adopted by other countries. Gold will then rise, and a consequence of our currency reform will be that prices with us, if we once go over to the gold standard, will decline." Robert Giffen, recognized as one of the best authorities of the gold-standard party, declared in 1888: "If events are the touchstones of prophecies, no prophecy was ever more certain than the increased dearness of gold. That the fall of prices throughout a compass so general as that in which we now see it falling is to be referred to an elevation in the purchasing power of gold is generally, and I might almost say universally, admitted."

2. The attempt to refer this lowering in the general level of prices to other causes, lying outside the coinage system, for instance, to cheapening and improvement in means of communication, to the perfecting of processes and machines for the production

of goods, etc., must be considered a failure, for the reason that the same causes were present in the same strength during the twenty-year period before 1873, though at that time there was observable a gradual elevation in the prices of goods in general; while, since 1873, that is, since the beginning of the fall in the gold price of silver through the introduction of the gold standard in Germany, a sharp and permanent lowering in general prices has come in.

Moreover, the industrial development referred to is at present specially strong in the lands having the silver standard, yet without inducing any fall of prices there. This is a direct proof that silver has not lost in value, but merely gone down in its gold price, and that, therefore, the fact which confronts us is simply an elevation in the value of gold.

3. The objection that many things, as city rents, securities, and, most of all, wages, have increased in price is without weight, because in all these things powerful special factors have been influencing prices. City rents must advance so long as the population of the country continues to be drained away into the larger towns, evoking a permanent increase in the demand for houses. Securities advance in accordance with the increase in the purchasing power of the income which they yield. The prostration of protective industry lessens the demand for capital for productive purposes and increases the demand for those securities whose interest is certain to be paid. Wages rise with the elevation of the standard of life in the different classes of the population, although the full satisfaction of the demand thus originated is made impossible by the bad industrial position of employers. The social bitterness pro-

ceeding from this unsatisfied demand is mostly a result of the pressure with which a bad coinage system afflicts the entire life of industry.

RESULTING EVILS.

II. The advance in the purchasing power of gold, proved in our judgment beyond refutation, brought about by the disuse of full silver money and the adoption of a gold standard, has demonstrably produced the following industrial evils :

1. An incessantly heavier and heavier burden is falling on the debtor in favor of the creditor. In respect to this Archbishop Walsh, of Dublin, remarks: "A great part of the capital employed in the business of our land has passed into the hands of creditors who have neither toiled nor spun, but hold securities and mortgages. The discouragement caused by this state of things is very deep. After it has continued a number of years a sense of hopelessness masters the entire business world; all desire to undertake business enterprises is paralyzed; a multitude of establishments are closed; the laborer is forced out of work; and laborers as well as the whole middle class of population are made to feel that a great misfortune has come over them. The result, in fact, reaches still further: a crowd of people who were once well-to-do in business have now become recipients of alms."

2. This injury to the debtor must at last involve the creditor, since the debtor is becoming unable to pay.

3. A set-back to German agriculture is manifest, referable, on the one hand, to the necessity of selling a constantly increasing amount of depreciated agri-

cultural products in order to pay wages, interest, rent, leases, taxes ; and on the other hand, to the increased power of competition on the part of other countries, silver countries, that is, and countries on a money basis of depreciated paper. In proportion as their silver or paper loses in power to buy gold, these countries enjoying in effect a high export premium, are able to throw their native products upon the world's markets at prices far beneath what it costs German farmers to produce them, so plunging these latter in deep distress.

4. The demonetization of silver is also working a more and more visible injury to German manufacturing industry :

(*a.*) On account of the ever-lessening ability of the farmer class to purchase manufactured products.

(*b.*) On account of the decrease in exports to silver lands and of the consequent recoil upon the home market of the articles hitherto exported thither.

(*c.*) On account of the competition offered by the rapidly developing manufacturing plants of silver lands, favored by the low cost of production there and by the premium upon exportation therefrom produced by the fall in the gold price of silver.

Unless means are taken to prevent, it will not be long before the manufactured products of the silver countries will find the German market. To import Indian yarn into Germany is already a paying operation.

5. A suppression of the desire to engage in industry is the natural result of falling prices. Instead of being applied to undertakings that are for the people's economic advantage, capital seeks invest-

ment in securities considered certain to pay interest. Lower rates of interest result. In order not to suffer from this, uncertain foreign securities are purchased, occasioning heavy losses of German capital, especially bad for small investors.

6. Capital cannot permanently keep clear of the injuries which debtors suffer, nor can it remain unaffected by the falling off of production. Obligations made payable in gold lead to the bankruptcy of individuals, as well as of States (Greece, Portugal, Argentina).

7. Constantly increasing difficulty besets countries which are financially involved by having gold debts to pay. Instead of being able to reduce their finances to order, they are confronted with an increasing agio upon gold, and also, corresponding to this, with an increase of the premium upon the products which they export. This exportation, moreover, is to the disadvantage of the manufactures and the agriculture of the lands having the gold standard.

8. There results a permanent injury and exhaustion of Germany's silver mining industry, which cannot be normally carried on at the present prices of silver. But as silver mining ceases there also ceases in great part the production of copper, lead, zinc, etc. In this way many millions are yearly lost to the income of the German nation; many thousands of laborers are deprived of bread; entire districts of Germany are ruined.

9. A falling off amounting to billions is taking place in the value of the nation's land and soil, threatening particularly the agricultural districts of the eastern provinces; while the growth taking place in the great cities and manufacturing centres is go-

ing on in an unhealthy way. Increasing discontent is overpowering the population, showing itself in the progress of Socialistic Democracy and also in the anti-Semitic movement, which E. de Laveleye foretold as a result of introducing the gold standard.

10. The depopulation of the rural sections means a weakening of the German military power. In case of war, our financial preparations are entirely unsatisfactory. That other countries are quite as badly off as we in this respect affords no satisfaction.

11. The fall in the gold price of silver severely endangers our monetary circulation. We have in circulation nearly a billion marks (face value) in thalers, small silver pieces, nickel and copper money, whose bullion value in all hardly exceeds 400 million marks. This condition gives rise to a double danger —viz.: That our monetary system may break down at critical times, and that counterfeit full legal-tender silver coins may be circulated, indistinguishable from those struck at the public mints, a process, at the present low gold price of silver, affording counterfeiters enormous profits. It is known that vast counterfeit issues are already in circulation in other countries.

12. All these evils lead every now and then to crises, which disturb business by raising rates of discount, resorted to in order to protect gold, which all banks anxiously do, for the most part withdrawing it from commerce by an embargo.

13. Beyond all question we have to anticipate a still more acute development of these evils. All the silver countries must try to place themselves on the gold basis if Germany and the rest of the great powers hold fast thereto. Modern commerce cannot

permanently endure a dfference in basal moneys, the separation of the world into gold countries and silver countries. But any further extension of the gold system must, as Goschen predicted so early as 1878, lead to a business crisis such as the world has never yet passed through.

ADVANTAGES FROM REMONETIZATION OF SILVER.

III. Nothing but a restitution of silver to its former co-equality with gold as a monetary metal can bring the needed relief.

We promise ourselves the following benign results in case of such a restitution :

1. The persistent fall of general prices would cease, the prices of all products would again be determined in a normal way, and agriculture and other industries would flourish anew.

People's fears touching money depreciation, inflation, and injury to creditors, supposing silver to be restored, rest upon exaggerations. International free coinage would at most leave barely enough excess of gold and silver over the industrial demand to keep pace with the increase of business and population and with the constant addition of new countries to the civilized portion of the world. The precious metal production with which we now have to reckon is, in fact, proportionally to the various demands which would be made upon it, very much less than that of the fifties and the sixties, which then brought rich economic blessing and did no injury whatever.

2. When prices rise, both the impulse to undertake industrial enterprises and the rate of interest also rise, working an advantage to capital which

fully makes good any possible diminution in the purchasing power of money. Public income swells, permitting an advance in the salaries of officials. A flourishing condition of general industry enhances the demand for labor and betters the situation of the laboring classes.

3. Were it possible to make specie payments in silver as well as in gold, it would be easier for countries with depreciated paper money to regulate their finances. Many can never accomplish this in any other way. Variations in paper-money values would then no longer curse commerce; the products of German industry would be in vast amounts exported to silver lands (East Asia, Mexico, South America), and at the same time the ability of our agricultural population to buy goods would be restored.

4. A period of general advance in material prosperity would rob of all significance the Agrarian, anti-Semitic and Socialist-Democrat movements of agitators, and prevent the mutual bitterness of our political factions from becoming, as it now threatens to become, more acute.

5. Instead of the separate measures of value now actually in use by the world's commerce, gold alone in some countries and silver alone in others, there would be a single measure of value for all mankind, that secured through gold and silver together by rendering invariable their values relatively to one another. That this fixity in the relative values of gold and silver can be brought about is proved by history, for it actually prevailed from 1803 to 1873 owing to the mintage of both metals by France. That it is possible by a union between the chief commercial governments to establish a practically un-

changing relation in value between silver and gold, was unanimously recognized, after long investigation, by the English Gold and Silver Commission of 1888.

OBJECTIONS CONSIDERED.

The objections against the above opinions of ours seem to us to lack sufficient foundation.

1. If it be said that the restitution of silver as a monetary metal is possible, or possible in accordance with justice to creditors, only by rating silver to gold at its present market value in gold, we reply that the market price of silver to-day is abnormal, resulting from a series of panics evoked by legislation, and from a limitation in the demand for silver having no other cause than the artificial one of closing mints to this metal. Besides, it cannot be admitted that the creditor has any natural right permanently to receive at the debtor's cost, in consequence of the steady rise in the purchase power of gold, a value continually more and more in excess of what would fall to him were there no such appreciation of gold.

2. In reply to the objection, resting on misunderstood theories, that the relation in value between two "wares," gold and silver, cannot be "fixed" by statute, we appeal to actual experiences with bimetallic mintage in France, where, between 1803 and 1873, it maintained for the whole world the relation of $15\frac{1}{2}$ to 1, thus persistently continuing the relative *value* of gold and silver, with slight variations corresponding to the usual movements of exchange, in spite of the greatest fluctuations in their relative *production* that has ever been known.

We appeal further to the unanimous judgment at which the English Gold and Silver Commission of

1888 arrived, although half its members were opposed to bimetallism. Here is what the Commission says:

"We think that in any conditions fairly to be contemplated in the future, so far as we can forecast them from the experience of the past, a stable ratio might be maintained if the nations we have alluded to (Great Britain, the United States, Germany and the Latin Union) were to accept and strictly adhere to bimetallism at the suggested ratio. We think that if in all these countries gold and silver could be freely coined and thus become exchangeable against commodities at the fixed ratio, the market value of silver as measured by gold would conform to that ratio and not vary to any material extent.

"We need not enter upon any extended explanation of our reasons for this view, since such reasons can be derived from what we have set forth above, and since, in our opinion, they obviously follow both from theoretical considerations and from the experience of the last half century.

"It in fact appears impossible to maintain any other view."

3. If it is objected that the restitution of silver would occasion for Germany a crisis whose limits could not be foreseen, it must be noticed in the first place that we do not strive for any interposition on behalf of silver *save on the basis of an international agreement*. No sort of distrust can be occasioned by bimetallism when it is introduced simultaneously in all the great nations.

Besides, the fear of a "flood" of silver is entirely groundless.

(*a.*) Because not an increase but a decrease is silver production is now in prospect;

(*b.*) Because the silver in the silver countries (East Asia, Mexico) and in circulation as money in the gold lands has not yet become depreciated. The billions which circulate as thalers, marks, francs, shillings and guilders still hold fast their old value;

(*c.*) Because compared with the tremendous stocks of precious metal in the world, which, including wrought gold and silver, are valued at 100,000,000,000 francs ($20,000,000,000), the yearly production is insignificantly small;

(*d.*) Because the severe and long-continued crisis has naturally reduced the demands of business on the stock of gold and silver coins, and in a period of flourishing industry this demand will greatly rise.

But the speedy establishment of international bimetallism seems to us necessary more particularly in view of the fact concerning the production of the precious metals.

The testimony of expert geologists has strengthened us in our conviction that gold is not adapted to be alone the measure of value, and that the fears of a too great production of silver are utterly unjustified.

Experts have unanimously declared:

(*a.*) That the large production of silver in Australia is a transitory phenomenon, whose end is but a little way in the future;

(*b.*) That silver production is at present rapidly falling off in the United States, not only in consequence of the fall in gold price, but as well because the bonanzas and also the carbonate ores necessary for smelting are becoming exhausted;

(*c.*) That permanently large production of silver is to be expected only in Mexico and South America, where, because these countries are on the silver basis

the gold price of silver has, in our belief, no effect in checking the production of the metal.

As against the view prevalent in our country that the gold price of silver fell because of increase in production, it is certain that this fall is to be referred entirely to the doings of legislators; that when the fall began the production of silver was, in fact, not sufficient to meet the demand; and that the American silver laws led to a "skinning" of the silver mines, which was the main cause of the increase in production. Let normal conditions return and we may expect a stable production of silver, corresponding to the vast demand, though hardly sufficient to satisfy it.

The production of gold has greatly increased in the last few years, yet not in a way to equal the demand so long as gold alone is full money. Should the gold states at last be driven to go on and lay aside their many billions of silver money, continually losing more and more of its gold value, it would be absolutely impossible to fill the gap so caused in their circulation.

But the production of gold cannot maintain itself at its present height. The more strongly and intensively the extraction of gold is pushed, so much more rapidly and completely will the mines be exhausted. The allegations of Professor Ed. Suess in reference to the prospective exhaustion of gold mines have not been proved incorrect, but have been confirmed; and Suess, when before the Commission, only strengthened us in his views when he declared that the present copious production of gold is bringing the world essentially nearer to the moment as-

sumed by him when the production of gold will be entirely at an end.

In the Transvaal, according to microscopic investigations, it is only a question of fossil "soaps" (alluvial or diluvial gold). The wealth of gold there, therefore, does not refute but confirms Suess's doctrine that important treasures in gold are to be found only in newly opened countries, where they quickly give out.

People still refer to the possibility of further "surprises" in respect to gold production. This possibility is all the time growing less and less with man's restlessly advancing examination of the earth's surface.

The gold production of to-day, inadequate as it is, is rapidly using up the world's last great gold reserves. To build the world's coinage system upon a production which can at best last only some decades is as impossible as a coinage system based upon the chance of "surprises."

A provident statesmanship cannot discredit silver and let it lose its value, when all human foresight is to the effect that the metal will be absolutely indispensable in the future.

The present moment, witnessing an increase in gold production which may be the last, is precisely the time to carry through an international system of bimetallism, as this can now be done without any fear that gold will leave the circulation or attain an agio. Those who prophesy a gold agio in case of bimetallism overlook the fact that they thereby ascribe to gold a scarcity and dearness too great to allow of gold possibly continuing the sole standard.

If, now, the united German governments recog-

nize the necessity of procedure to stop the depreciation of silver, it comports with the high position of Germany as a nation that it should assume the initiative toward international negotiations, exerting its influence in the council of the nations in favor of silver, whose depreciation had its beginning in the German coinage law of 1871. Such is the condition of affairs that Germany will be permitted to reckon upon the co-operation of all powerful States, including England.

Dr. Arendt,
Von Kardorff-Wabnitz,
Leuschner,
Von Schalscha,
Wulfing.

ADDENDA.

III.

UNITED KINGDOM.

This speech is given in full to show that many strong thinkers in the United Kingdom earnestly desire to restore silver.

THE SPEECH OF MR. CHAPLIN.

The following speech was delivered by Rt. Hon. Henry Chaplin, member of parliament, former president of the board of agriculture and ex-minister of agriculture, at the Queen Street Hall, Edinburgh, under the auspices of the Scotch Chamber of Agriculture. The subject of the address was, "Bimetallism in Relation to Agricultural Depression." He was introduced by Mr. J. T. S. Patterson, president of the Chamber, who spoke of the distinguished speaker as "the leading authority on the subject."

After making his acknowledgments and expressing his appreciation of the invitation, Mr. Chaplin said:

"I had great diffidence in deciding to accept your invitation, and for this reason: The subject itself is one of great complexity; it is no easy task to explain it clearly to those who are uninitiated, and there is no question in the world which gives rise to such bitter animosity and to such burning controversies between the two opposing parties. The battle of the standards, as it has been called, has been waging now for many years, and although bimetallists are no longer subject to the same abuse as formerly, I am happy to think that that phase of ignorance and folly has passed away, and although bimetallists, in the face of overwhelming difficulties, have been steadily making way, it certainly has not lessened the animosity of their opponents. In fact, I often think that it is very fortunate for us that we do not happen to be living still in the days of the dark ages [laughter] for I am quite confident if we were that the conveners of this meeting, probably your chairman, and most certainly the member for Sleaford, would have been burned at the stake, if that were possible, by our monometallic opponents before I could escape from Edinburgh to-morrow [laughter] for the economic heresies I am going to propound to you to-night. But be that as it may, it happens that I have had some op-

portunities, as a member of the Gold and Silver Commission and otherwise, of acquiring information on this question. I can say with perfect truth that I have given much attention to it, and I have come to the deliberate conclusion that it is a matter of surpassing interest to the great industry which you represent [applause] and I own that I am heartily glad of the opportunity of pressing upon you to-night the views I hold myself upon this question, and of the truth of which I am entirely convinced.

"Let me add this, also, gentlemen, that while it will be my object to speak, I hope, in no dogmatic spirit, and with all the diffidence which is becoming in discussing an abstruse and highly complicated question, I do most earnestly desire to pass upon you with complete conviction, and as strongly and as clearly as I can the reasons which have guided me in forming the conclusions which I have done on this vast and enormous question. For if I can convince you that the bimetallic party are right in their contentions, why, then, the magnitude and the importance of this question cannot be exaggerated, for it touches, and it must and will affect every industry and every other question you can think of. [Hear, hear!]

THE CAUSE OF THE DEPRESSION.

"And now, gentlemen, without further preface, I will turn to the consideration of the subject on which you have invited me to address you. It is entitled 'Bimetallism in Relation to Agricultural Depression.' That is to be the theme of our discussion to-night, and, I hope, of many subsequent discussions in your association. I think that I shall best be able to explain my general views upon the subject by submitting to you the following propositions. They are three in number, and my contention is as follows: 1. That the cause of agricultural depression is chiefly to be found in the heavy fall which has occurred in recent years, and which is still progressing, in the prices of agricultural produce of almost every description, and so long as this decline in prices is continued, real and permanent return of agricultural prosperity is practically hopeless for the future. 2. That this continued drop in prices has been consequent upon, and is mainly due to, the great monetary changes on the continent, which resulted in the abandonment of the bimetallic system, under which, and under the full effects of which, the entire business of this country and the world was carried on prior to 1873. And lastly, that in order to arrest this continuous and progressive fall, it is desirable to revert to the system which prevailed up till 1873, and under which the summit of agricultural and industrial prosperity was reached and successfully maintained throughout the whole of the United Kingdom. [Applause.] Now, gentlemen, that is a summary of the views which I intend to submit to you,

and it is on my ability to make good the several propositions which they embrace that I shall rest my claim to your support for the opinions which I hold.

EXISTENCE OF AGRICULTURAL DEPRESSION.

"Now as to the existence of agricultural depression, I apprehend that there is no difference of opinion. It is a painful and undoubted fact, which too many of you, I fear, have realized by practical experience already, and which so far as I know, is not disputed or denied by any one. There are other subjects, I am well aware, that very properly engage the attention of agriculturists at the present time, in addition to the question of prices. For instance, there is the question of land tenure for one; there is the question of the amendment of the agricultural holdings act for another [hear, hear!] and then there is another very important subject, viz.: the undue burden of the rates and taxation upon land [applause], and so on with many others. Many of them are very important and deserving of careful consideration; and with regard to one and all of them I hope that you will always find me foremost among those who are ready to lend a willing ear to any well-considered propositions for their amendments or alteration. [Applause.] But I do not think that any one has ever cited any of them as direct causes of agricultural depression, and probably for this reason, that they know from past experience that they have been co-existent with periods of the greatest agricultural prosperity. I submit then, gentlemen, to begin with, that I am right in tracing agricultural depression in the main to the general fall in prices of your produce, and that is an opinion which at all events is very widely shared. It was the purport and effect of the main and principal resolution which was unanimously adopted by the great conference which was held at St. James's Hall on the 7th and 8th of December, 1892, and in my recollection there has certainly never been a gathering of agriculturists of like importance. For that conference, of some 1,500 or 2,000 people, was composed of delegates from no less than 250 agricultural associations assembled together from all parts of the Kingdom. And I may tell you this besides, that it is also the unanimous testimony of every witness who up till now has come before the royal agricultural commission—and Mr. Gilmour and Mr. Clay will bear me out in this—which is inquiring at this moment into the whole question of agricultural depression; and, indeed, it is really unnecessary to argue the point, for I do not think that there is any one who seriously disputes it. I assume then, gentlemen, that up to this point I shall carry the assent of this meeting with me. But there is another feature in this fall of prices to which I must call marked attention, and which is perhaps of chief importance—namely, that this fall has been hitherto progres-

sive, and no one knows or can foresee where and when it is to end. If they could, if any one of you could be assured that you had touched bottom, and that, low as they are now, prices would remain stable and steady in the future, then it might be possible on land of reasonable quality to conduct your industry on a business-like and stable footing. Fresh arrangements could be made, a general adjustment would take place in rent, in wages, in expenses, and in all outgoings, and the business would go on as before. It would be a terrible state of things, and it would entail enormous suffering. The present generation of farmers and cultivators would most of them be ruined and pass away; but still, if once you could be certain that prices had touched bottom, why, then, after a general readjustment such as I describe, on a certain quality of land, the industry could go on and be prosecuted in the future, always upon the condition that prices had reached their lowest level, and could be counted upon to remain steady in the future. But that, unhappily, is not the case. The fall of prices has been continuous now for many years, and is still progressing. And in order to see this you have only to look at the evidence of what is known as the system of index numbers. Perhaps I ought to explain to you what that system is. It is a system by which you ascertain what has been the average rise or fall in the prices of a certain number of different articles over a given number of years. The method you adopt is this: You take a certain number of articles, fifty or one hundred, more or less, as many as you like, and the price of each of them at a given date is represented by a standard number, say 100. Any variations in the prices of these separate articles which occur in each year afterwards, are made a note of. Thereupon you add to or subtract from the standard number in each case, according as there has been a rise or fall, and by adding together the numbers so obtained you get a general average of what the rise or fall upon the whole of these articles has been. Many different tables of prices have been compiled in recent years upon this system by a number of eminent men. The best known of them are the tables of the Economist newspaper of Dr. Soetbeer, of Mr. Giffen, of Sauerbeck, Mr. Palgrave and others, and they all show very much the same result—namely, that the prices of commodities generally have been steadily falling now for many years. The latest table I have seen—that of Mr. Sauerbeck—shows that from 1873 to 1893 the fall has been rather over 40 per cent. and it still continues in 1894. Now take the case of one article alone, of wheat, for instance. Wheat, in spite of everything, is still an important crop in some of our Scottish and English countries. There are some parts of Great Britain where the land is capable of growing first-rate crops of wheat, but where it is fit for very little else. Now what

has been the course of the prices of wheat for several years past? You will probably remember that when Mr. Clare Read and Mr. Albert Peil went out as sub-commissioners to America for the Richmond commission in 1879, they left America under the impression that wheat would not be sent to England from America in the future under 40s a quarter. It began to fall, however, shortly afterwards below that price, and it went on falling till it reached 30s some two or three years ago; and I remember quite well pointing out to the great conference at St. James's Hall sixteen months ago that it had then come down to 25s, and I saw no reason why it should not fall to 20s. Well, now, what is the latest intelligence we have on that point?

"On December 12th of last year I got information from a friend, a reliable correspondent at Bristol, who is kind enough to keep me well informed upon these matters. He wrote as follows: 'Several of our leading corn importers have purchased cargoes of sound, dry Russian wheat for delivery in February, March and April next at 22s 6d and 23s per quarter of 492 pounds, and to-day sundry cargoes and parcels of similar wheat are in offer and obtainable at 22s 3d. The impression here is that bottom has at last been touched,' but he added a word of caution—'the same impression existed when wheat was at 30s a quarter.' [Laughter.] But I have a later communication than that from the same authority, as late as May 9th, and again he writes: 'My friends on the corn exchange tell me to-day that the record has again been beaten. River Plate wheats, f. a. q. (meaning fair average quality), are offered at 20s per quarter.' And coming later still, to the 22d of this month, I received this memorandum last week from the city of London: 'Messrs. Ralli Brothers sold recently red Kurrachee wheat, May and June shipments, to Hull at 19s 3d per 492 pounds. This was superior, and would make fair average quality worth only 18s 6d. Similar quality three years ago would be 38s and 39s a quarter; 19s 3d is the lowest price Messrs. Ralli Brothers have ever sold wheat at.' I will explain to you directly how it is possible it can pay any one to send it at that price, and that is an extremely interesting subject, on which I shall have a deal more to say. But for the moment what I am concerned to show is that the fall has been progressive up till now, and that it still continues, and I believe you will agree that by what I have told you up till now I have made that statement good. But if you do agree with me, and if I am right in this, what does it mean to you?

"Now, I must press this consideration very earnestly on your attention, and I want to ask this question: When you are about to make a contract for a farm, and before you sign the lease, what is the first thing that you do? You make a calculation in order to satisfy yourself how much rent you can afford to pay after making a fair profit for yourself.

This profit, of course, depends upon the returns which you expect from the produce which you sell, and the value of that produce depends again very largely upon the price which it commands. Well, you make your calculations on a fair—I will even say a liberal—estimation after allowing for contingencies of the prices of the day, and thereupon, if your calculation pleases you, you make your contract and you sign the lease. What is the next step? You enter on the farm, you spend your money, you grow your crops, and, finally, you sell them. But, after you have done so, and you come to make up your accounts upon the next occasion, you find that your returns are much less than you thought they would be when you took the farm. And why? What is the reason for this great miscalculation? Why, simply this: that there has been a further heavy fall in prices which neither you nor any one could possibly have foreseen. Your profits, in consequence, are gone; very possibly you find your balance on the wrong side altogether, and not only that, but you are bound in the future by your contract, which, under the new circumstances, may be losing, and quite possibly, heavy losing, concern to you. And remember, gentlemen, another thing, that you in Scotland are specially affected, more than any other class of farmers, by this state of things, because I know it used to be your practice, and I believe it is so still, to take your farms on leases which are binding for a term of years, whether the conditions of the lease turn out well for you or ill. I submit then, gentlemen, and I hope you will agree with me, that so far I have been able to make good the first proposition which I laid down this afternoon, namely, that the main cause of depression is the fall in prices; that the fall has been hitherto progressive, and as long as it continues we cannot expect any real and substantial improvement in the future. [Applause.]

CAUSES OF THE FALL IN PRICES.

"And now I come to the second and much more disputable question, namely: What is it that has brought about this terrible and unprecedented fall? I have shown you already that, according to the index numbers, it amounts to 40 per cent. as the average fall which has occurred in the price of a great number of commodities. Well, what is the cause of it? The answer which springs at once to the lips of nine farmers out of every ten, certainly in England, is this: 'Foreign competition,' and that the remedy is protection. Well, I used to think so, too, but I cannot say with truth that that is my opinion now [applause] and I say so for these reasons: There are many countries at this moment which impose extremely heavy duties on all imported agricultural produce. Half the countries on the continent, not to speak of the United States, are protectionists to-day, and yet they complain of agricultural depression; and they are suffering

from it quite as much, and in some cases, I believe, even more than we ourselves. [Hear, hear! and applause.] Again you must remember that until the great monetary changes began to be felt—probably in 1875 or 1876, for they did not begin to take effect till a year or two after they were made—agriculture had enjoyed the greatest and the most unbroken period of prosperity for five and twenty years that she had ever known. Many farmers have told me that 1874 was the last real good year they ever had, and all that time, remember, for twenty-five years previous to 1874, it was under free trade that we were living. And when I see and when I know that the agricultural depression is universal, I believe in every gold-using country at the present time, whether they be free trade or protectionist alike, that the farmers in America, from where the chief part of our imports come, the wheat growers in particular are being daily ruined and becoming bankrupt faster even than we are in the worst parts of England, I am forced to the conclusion that free trade alone is not sufficient to account for it, and that there is some other, some deeper and some common cause which lies at the bottom of it all. [Applause.]

"Well, then, others tell you that there is no mystery about the fall at all; that the thing is very simple; that vast areas of fertile and virgin soil are cultivated now in all parts of the world which formerly grew nothing; that there are more railroads, cheaper freights and greater facilities of transport everywhere, and that all that we are suffering from may be summed up in a word, viz: 'overproduction.' Now, I am never quite sure what is meant when people talk of overproduction. They always seem to forget that *pari passu* with the increase of commodities there has been an enormous increase also in the population and in the needs and requirements of the world. If they mean by overproduction that the ratio of the increase of commodities has been out of all proportion to the increased requirements of the world, why, then, I do not believe them. And certainly no one has ever given the smallest proof of that very common but that very loose and very vague assertion. Have you ever considered what the increase of the population of the world is supposed to be every twenty years? I saw an estimate upon this point the other day. According to that estimate, the increase in the population of the world every twenty years amounts to no less than 200,000,000 of people, and rather more. Now, just consider what that means. Why, the whole population of England is only about 30,000,000, and, therefore, it is much the same as if some six or seven new Englands had been added to the world in the last twenty years. And, if they had been, you can fancy for yourselves what sort of increase in commodities would be wanted to supply them. This question, gentlemen, of overproduction, was fully argued and threshed out on the Gold and Silver Commission

five or six years ago; and if you think that any further argument is needed I must refer you to the third part of their report on this point, where in less than half a dozen paragraphs you will find the subject dealt with in a way which has certainly not been answered until now. [Hear, hear!] But, in connection with this subject, there is one table of wheat statistics which was sent to me to which I must call your attention. It is a table of the total yield of the world's wheat crop for 1891, 1892 and 1893, with the prices for each year, and it gives 304,000,000 quarters for 1891, 300,000,000 for 1892, and 288,000,000 for 1893, showing a steady decrease in production. The prices, on the other hand, are 41s for 1891, 29s for 1892, and 25s for 1893, showing an enormous fall in price. So here you have a fall in price of 40 per cent. in wheat, in spite of a decrease in production and in spite of a large increase in population and in demand. [Applause.] Now, gentlemen, I say that in the face of figures such as these, and I have every reason to believe that they are fully as trustworthy as any of the statistics on which we are accustomed to rely, it is idle to talk of the fall in prices being due to nothing but overproduction. No, sir, the more you sift, and the more closely you examine into this question, you will find that there is only one thing which is able to sufficiently account for the enormous and unprecedented change which has occurred in prices during the last twenty years; and that is the change which has occurred, not in production or in commodities, but in the value of money itself [hear, hear!] and which I believe to be entirely due to the great monetary revolution which occurred some fifteen or twenty years ago upon the continent of Europe, and to the abandonment of the bimetallic system by which it was accompanied at that time. [Applause.]

THE MONETARY CHANGES.

"And now I must explain as briefly as I can what those monetary changes were; what the bimetallic system was, and what the effects of its abandonment have been on yourselves and on your industry in particular, as well as on the world at large. Now, some people are under the impression, I believe, that bimetallism is something new. It is nothing of the kind; it is as old as the history of the world. Gold and silver formed the joint money of the world since the first ages of man. That is why they are called the precious metals, and bimetallism itself only ceased twenty years ago. Let me explain as shortly as I can what bimetallism was. At present, as you know, the law provides that if you or I or any one takes gold to the English mint they are bound to receive it in any quantity and to return it to you coined at the rate or price of £3 17s and a fraction per ounce. It then becomes legal tender money; that is to say, money with which you can legally discharge your debts. Well, if the

mint was also bound by law to take silver in precisely the same way and return it to you coined at a fixed rate or price, say 2s 6d, or 3s, or any other price that might be fixed per ounce, and if it became likewise legal tender money in which you could pay debts, that would be bimetallism. But that is exactly what the law was in France and in half a dozen other countries on the continent, as well as in the United States of America, prior to 1873; the rate at which silver was coined was fixed at that time at about 3s an ounce, which made the ratio between the metals about $15\frac{1}{2}$ to 1, and this system which I have described to you was only abandoned at the date I have named. And whatever else any one may say or think upon this subject, it certainly is a striking and remarkable coincidence that ever since the change began to take effect we have been passing through a period of prolonged and unexampled depression in agriculture and every other industry, both in this and every other gold-using country in the world that you can mention. [Applause.] Now, the effects of that law were as follows: It gave to silver in the first place, so far as the law was concerned, a position of equality with gold. Now, just consider what that means. The law created a universal and unlimited demand for silver, exactly as it now creates a similar demand for gold. All the gold that can be found in the world possesses a value which is conferred upon it by the law, as, if I may so describe it, 'potential money.' And that was also the position of silver prior to 1873. It possessed a value conferred upon it by the law and all the silver that could be found was equally 'potential money,' exactly like the gold.

"Another effect was this, that the relative value of gold and silver never varied, but remained practically steady for a vast number of years prior to 1873; for nobody possessing silver would ever part with it for a lower price than he could get at any moment from any of the mints of those countries that I have named. Thirdly, although the bimetallic law itself was confined to the countries I referred to, the effects of it were felt and were universal in all the countries of the world in keeping the relative values of gold and silver steady. For instance, you hear a great deal nowadays about the rupee in India, and how greatly it has fallen; but up to 1873 it was always worth just about 2s, without any change whatever. You never heard of any difficulties then about your Indian rupee, and if there was any variation at all it was only fractional. But since 1873 the rupee has fallen so enormously that it has been the source of endless trouble and difficulty to our Indian finance, and at the present moment it has fallen until it is worth only about 1s 1d; and more than that, I can tell you, gentlemen, that Indian finance was never in so desperate a mess as it is in at present. [Applause.] And you will hear a good deal more of that, unless I am much mistaken, before the present session is over.

And, fourthly, the regular addition of all this silver, as well as gold, to the volume of legal tender money in the world steadily increased it, and had the same effect as if you added double the quantity of gold. It was just sufficient to enable the increased volume of money to keep pace in proportion with the increase of commodities in the world, and therefore to keep prices from altering very much either one way or the other. [Applause.] But in 1873 all this was changed. Owing to reasons into which I need not enter now—for they are all on record, and I want to curtail my statement as much as possible—the mints of all these countries were closed to the free coinage of silver in either 1873 or the beginning of 1874. Silver lost the position which up till then it had occupied in conjunction with gold; it was deprived of the right of free coinage, and bimetallism from that moment ceased to exist. And what I have next to explain to you is the effect and the results they have produced. Now, the chief results were two; and the first of them was this: The dislocation of silver greatly increased the demand for gold, and it put a heavy strain upon the gold stocks of the world. There was no corresponding increase in the supply, and the natural and inevitable consequence was to increase the value of that metal. In other words, it caused the appreciation of gold. But the appreciation of gold is only another word for a fall in prices, and as you know to your cost, that is exactly what has occurred, and that has been the first effect of the great monetary changes upon you. But there is also a second result of equal or, perhaps, to you of even more importance. Silver having been deprived of the legal position which, in common with gold, it had held till then, and the link between the metals being gone, silver became subject at once to all the influences which affect other commodities, and both silver and commodities, measured in gold, fell in price together. This created at once a divergence in the old relative value of the metals, and that divergence has steadily widened until the ratio between gold and silver to-day is something like 30 to 1, instead of $15\frac{1}{2}$ to 1, which it used to be before.

"Now, it is this divergence which explains the fact—and I told you I would refer to this again—that certain countries are able to send wheat to England at a profit, even at the price of 19s or 20s a quarter. [Applause.] They are the countries which use silver as their standard, like India, for instance, with the rupee. And the first thing you must bear in mind is this, that, although the rupee has fallen so much in relation to gold, in relation to commodities in India it has not fallen at all. In other words, the same number of rupees will exchange no longer for the same amount of gold, but they will exchange for in India—i. e., they will purchase as much—of any commodity or commodities in India as they ever did before. [Applause.] You will see the effect of this

upon your wheat in Great Britain in a moment. When the price of wheat was £2 a quarter and the rupee was worth 2s, the Indian grower of wheat got 20 rupees for his quarter, because 20 rupees at that time exchanged for 40s. Now, the price of wheat has dropped to £1 a quarter, but the Indian grower still gets 20 rupees, because the rupee has also fallen to 1s, and at that rate £1 in gold will exchange for as much as £2 did before. [Hear, hear!] The same thing happens in the case of every other article which we produce in England which is the subject of competition with silver-using countries. It is the exchange, as it is called, which enables the silver-using countries to make the present prices, and if silver continues to fall further, I say to you to-night, as I said to the conference in St. James's Hall, I see no reason in the world why the price of wheat should not continue to fall indefinitely in the future. [Hear, hear!] You will perceive, then, that, according to my views, you are suffering from two causes, both of which I trace to the great monetary changes of twenty years ago, and which are becoming more and more injurious every day. The appreciation of gold is the first cause; the wide divergence which has taken place in the relative value of the metals is the second cause. The former, as I have already stated, is another word for a general fall in prices. The second means an additional and further fall in the case of those particular articles which are the subject of competition with silver-using countries. [Applause.] Now, I do not know how far you have been able to follow me in this, or if I have convinced you, but at least I think you will agree that I have said enough to show that this is a serious question which deserves your most earnest and thoughtful consideration. [Applause.]

THE QUESTION OF RENTS.

"And now, gentlemen, I come to the final proposition—namely, the remedy which we propose—the remedy for agricultural depression. I know quite well that in some parts of Great Britain there are those who think that relief can only be given, and must be given, by a further reduction of rents, and in individual cases, and where the land is good, I am not prepared to say that that would not give the relief or part of the relief that is required. But there are two things you must bear in mind in connection with that question so far as general agricultural depression is concerned all over the country. In the first place, enormous reductions of rents in some parts of Great Britain have already been made. On the agricultural commission we hear of reductions varying from 20 to 40, and 50, and even 80 per cent. and of other cases where there is no rent at all, and where the land has gone absolutely out of cultivation altogether. [Hear, hear!] The second thing I want you to bear in mind is that these reductions in rent might possibly be a general remedy to

some extent if all the land throughout Great Britain was land of the same quality. But that is not the case. Land in Great Britain, generally speaking, may be roughly divided into three classes. There is the good land; there is the moderate land; there is the bad land. Well the bad land has ceased to pay rent altogether [applause], and much of it now has gone out of cultivation. The moderate land, I am sorry to say, in some cases is beginning to go at present, and we have arrived at such a pitch that any further reduction of rents at the present moment means merely this, that more and more land, good land, will go steadily out of cultivation. It is impossible that that, therefore, can be described as a general or effective remedy for general agricultural depression.

THE REMEDY.

"No, gentlemen; the real remedy, in my opinion, is simply to revert to the system which prevailed prior to 1873. For this purpose an international arrangement would be necessary, and some people will tell you that it is hopeless to get the nations to agree, and they point to the abortive conference held last year at Brussels in support of that contention. Well, that is not my opinion. I have done what, I dare say, very few people have done. I have carefully read the whole of the proceedings at that conference, and nothing is more clear to me than this, that it was nothing but the action of the English delegates [hear, hear! and applause], or some of them, which broke up the conference at Brussels. [Hear, hear!] On this point I could give you some striking testimony both from the German Chancellor and the President of the United States, but I am afraid of being too long. Only this I may mention, that in Germany, which is said by some people to be the chief obstacle, it is not two months ago since they have been obliged to appoint a royal commission on this very subject of their own to see what can be done to repair the mischief that is following these changes. You may take it from me as certain that England is the great impediment at present to this great reform, and it is in England that we will have to overcome the opposition.

THE OBJECTIONS TO BIMETALLISM.

"Now, what are the usual objections that are urged to our views? I have been asked by some correspondents to reply to one or two of them, and I will do so. The first, the old stock argument, is this: You can not maintain a fixed ratio between gold and silver any more than you can between any two other commodities. You cannot interfere with the laws of supply and demand. The thing is impracticable; it is, in fact, a bimetallic dream. Now, our opponents appear to be still in blissful ignorance of what is, perhaps, the most elementary fact of our contention, viz.:

that the bimetallic theory affords, perhaps, the most perfect and most striking instance of the operation of those laws in a specially instructive case, and I believe I am right in saying that that is the opinion of every teacher of political economy in England at the present time. [Applause.] Mind you, this is very ancient history, but so many of the critics have so little learned their lesson that I will repeat one argument on the subject, and I think it will suffice. What we say is this, that the law can exact that either or both of the metals shall be legal tender for debt. That we know, because it has been done effectually already. And thereby the law creates what is and what has been the chief demand for the precious metals—namely, for the purposes of money. The law can also enact that they shall be legal tender at a given ratio between the two, for this also has been done, and done effectively in the past. Now comes the question: How is the ratio maintained? The answer to this question is that debtors will always try to pay their debts in the cheapest way they can, that is to say, in whichever metal is the cheapest. What do those debts amount to? The indebtedness of the world is estimated at something between twenty and thirty thousand millions sterling. Consequently, if either metal falls, for any reason, below the legal ratio, there will be an immediate increase in the demand upon it for the purpose of the payment of debts. The increased demand produces its natural effect. The metal which has shown the smallest tendency to fall returns to the normal, or rather, I should say, the legal level. Formerly it was gold—at the time of the great gold discoveries forty years ago. More recently it has been silver, the production of which of late has much increased, although in nothing like the same proportion as the production of gold increased in former days. And in this way an automatic action is set up, which not only keeps the relative value of the metals steady, but makes it impossible, as we contend, for them to vary, except within the smallest limits. If a great increase in either metal should occur, and begin to have the least effect, the parity is immediately restored by the operation of the natural law. And this explains at once the practical stability of the ratio during the long periods antecedent to 1873, when the variation in the production of the metals was infinitely greater than it has been ever since then. I feel that I ought to apologize for repeating this fundamental argument in replying to the antiquated objections with which we are assailed, but if I had not done so I was afraid that I should be attacked, like your distinguished countryman, Mr. Arthur Balfour [applause], in the city not very long ago, for not answering the objections which were advanced against bimetallism. The next objection that I hear is this. Even if you could maintain a ratio you never could agree as to what the ratio should be. My

answer, gentlemen, is this: Bimetallists would accept any ratio rather than go on as we are doing at the present time. [Hear, hear!] But what the final decision as to a ratio should be is, obviously, a matter of agreement among the different people who are concerned. My own opinion upon that point is, and always has been this, it is not so important as people think, and for this reason: So sensitive is silver that the moment a bimetallic settlement was really on the tapis the market price of silver would conform to any ratio that was fixed long before it was enacted by any positive legislation. [Applause.]

THE QUESTION OF SILVER PRODUCTION.

"But then I hear it is said that even if you could agree upon the ratio, the enormous quantities of silver that can be produced even at the present price, must inevitably break it. Well, to begin with, I have my doubts as to this illimitable production. I am aware of no facts and no information to confirm the statement. Certainly there are none to be found in the whole of the evidence before the conference at Brussels. But the answer to that argument is this: 'What is of importance is not the annual output of the metals, but the total amount of the mass of each of them which is already in existence. [Hear, hear!] This is an idea I want you to carry away in your minds. The annual output now is, what shall I say? probably something about 30,000,000 sterling a year of each. Perhaps it is even more than that of silver, but what is the existing mass? I turn to the report of the Gold and Silver Commission. There I find that the estimate of the mass of gold in existence in the world five years ago is 1,550,000,000 or in round numbers say 1,600,000,000 sterling. Silver, on the other hand, is estimated at a little under 2,000,000,000 sterling. Now, supposing that the present annual production of silver was doubled, what does it matter whether you add 30,000,000 a year or 60,000,000 a year to the existing mass? You have 2,060,000,000 of silver, instead of 2,030,000,000, as the mass of silver in the world. Why, the difference is fractional—barely $1\frac{1}{2}$ per cent. That is also the reply to the question I have been asked to answer by a gentleman well known to you (Mr. Lindsay), who was the president of your chamber. Mr. Lindsay asked me this question: 'If the effect of monetizing silver be to enhance the value of that metal, will this not lead to a still further increase in its production, and consequent augmentation of the difficulty? The Broken Hill Proprietary Company produces about 20 per cent. of the total supply in the world, and it is paying now, even at the present price, an enormous dividend.' To that question I answer, no, I do not think it will affect it in the least. Twenty per cent. of the total annual output of silver is only an infinitesimal addition to the mass already in existence. You must remember that the metals

differ from almost all other commodities in this respect—that they do not perish, and they are not annually consumed. A crop of wheat, for instance, or the greatest part of it, is consumed every year. A great increase or decrease in the annual crop of wheat makes all the difference in the world. But the mass of gold and silver is the accumulation of centuries. Some of the gold we are using now, however often it has been recoined, existed probably in the days of Solomon or the Pharaohs [laughter], and the annual additions to this enormous mass are comparatively unimportant. That is likewise the answer to another very common question, namely, that our present difficulties will be augmented by the increasing output of gold in South Africa. No doubt they are increasing every year. I hope they will continue to increase, but unless they do so in proportions of which I do not see any prospect, they will be absolutely insufficient to redress the mischief which is going on at present. Again, I hear it said that if you did this you would be making the fortunes of the owners of silver mines in Mexico, in America and in other places of the world. Well, perhaps you would, but would any one of you refuse to receive gold for any reason such as that? I know a gentleman now in London who is said to have made a fortune of many millions within the last few years from the gold mines of South Africa. Well, you welcome all that he can send you.

"Why should you refuse the silver? Do we starve or freeze ourselves in winter in order to prevent the owners of coal mines from becoming rich? [Laughter.] It is really quite the weakest and silliest of all arguments I know. [Laughter and applause.] There is another, I admit, which is deserving of much more serious attention. We are the greatest creditor nation in the world. Why should we take payment for our debts in what is the least valuable metal? My reply is this: If bimetallists are right, there can be no such thing as a cheaper or a dearer metal. [Hear, hear!] Their relative value will remain stable and each of them will perform all the functions of the other. What may happen, quite possibly, is this. There may be some increase in prices, and as we receive payment for our foreign debt in produce from other countries we may get something less of produce than we got before. But look at the other side of the picture for a moment. Is it just, is it wise, for the creditor to push his debtor into such a corner as we are doing now by monetary changes which have enormously increased the burden of his debt? [Hear, hear!] I do not care whether it is an individual, or whether it is a nation. I ask them both the same question.

FOREIGN INVESTMENTS.

"What is the position of many of our investments in foreign countries at this moment? Take American railways.

I hope in Scotland there is not much money invested in American railways. [Laughter.] What about the shares of the Union Pacific railway, extending over 9,000 miles? They used to be above par; to-day, I am told, they are $14. And, more than that, I hear that one-third of all the railways in America are at this moment in the hands of the receiver. How much have the people of this creditor nation invested in American railways, I should like to know. Do they benefit by the present state of things? Well, what about American mortgages upon land? Are investments in that quarter particularly flourishing just now? From all I hear of American land and the condition of the American farmers, particularly in the West, owing to the fall in prices, I should not be very satisfied about any investments of my own in American mortgages upon land if I had any, which, happily, I have not. [Laughter.] Again, look at the position in Australia. You know what has happened to investors there. I doubt if they perceive just now the advantage to the creditor nation of constantly appreciating gold. In fact, creditors at this moment in all parts of the world are in the greatest danger, where it is not gone already, of losing their capital, or much of their capital, altogether; and why? Because of the great and general fall in prices all over the world, due to the appreciation of gold, which has made so many different enterprises unprofitable and some of them bankrupt altogether in recent years.

THE BANK RESERVES.

"There is one other question only to which I think it necessary or desirable to refer, and that is the argument deduced from the unusually large amount of gold at present in the Bank of England. What is the meaning, I am asked, of scarcity or 'appreciation' when, as a matter of fact, there is a plethora of gold lying idle at this moment in London? So there may be. It is the strongest confirmation of my view. [Hear, hear!] And if I am asked how the conditions can exist together, I say that the one is to a large extent the consequence of the other. [Hear, hear!] People do not invest their money in industry or enterprise to-day, because in the face of constantly falling prices the return is so uncertain. Gold itself is steadily increasing every day in value, and it is better and safer to sit tight and hold it, unless you can lend it upon the very best security. [Applause.] Very many years ago Lord Bacon wrote as follows—and it may not be inappropriate to quote it at an agricultural meeting like the present: 'Money,' he wrote, 'is like muck—of no use unless it be spread.' [Laughter and applause.] Every farmer in Scotland, I am sure, will understand the simile. If you leave your manure gathered in a heap, it is useless and barren, and fertilizes nothing until it is spread upon the land. But with wheat at 19s a quarter, you do not see your

way to a return if you go to great expense in manuring heavily for your crop; and so with the plethora of gold in London lying idle in the coffers of the rich. It is barren for good as long as it remains there. But it never will be spread in promoting and fertilizing industry and enterprise as long as we remain confronted with perpetually falling prices, and, therefore, an absolutely uncertain future. [Applause.] Now, gentlemen, I must bring my observations to a close as quickly as I can. I really cannot thank you sufficiently, gentlemen, for your attention, and the extraordinary patience and kindness you have shown me during what must necessarily have been, I fear, a long and very tedious statement [no, no!] on a naturally dry and uninviting topic. I have done my best to put the merits of the question as clearly as I can before you. [Applause.] What are its prospects for the future? I regard them, gentlemen, for my own part, as full of promise and as full of hope. It is no small matter, in my judgment, that you have begun to show interest in this question here in Scotland. I know, and I am certain, that great progress has recently been made in London.

"We had a most important international congress on this subject in the city not many days ago and a much less important matter in the house of commons, namely, a count out the same evening on this question [laughter] and, in order to allay the apprehensions of friends abroad and to disappoint our foes at home, I wish to say one single word on this incident. To people who understand the house of commons it is of absolute insignificance. A second place at an evening sitting, when no division could be taken, was not a fitting opportunity to proceed with an important motion. To any one acquainted with parliamentary tactics it was an occasion which invited a count out. It was against the wishes and advice of many good friends of the movement that the discussion was attempted, and it ended with a result which was inevitable and which most people might foresee. But, from all I hear from every quarter the interest in this question most undoubtedly is steadily and widely spreading. The city is beginning to listen with attention. Lancashire and her artisans have long been supporters; one distinguished Scotsman, the present leader of the opposition [applause] is its chief and most stalwart champion, and if I look toward the other side of politics, what do I find from another Scotsman — Lord Rosebery — the present prime minister of England? [Applause.]

"I was looking at a speech of his only yesterday afternoon, and this is what I find he said. It was delivered four or five years ago to a great audience in England. You have, he told them, three great topics as to which you will have to make up your minds. The first, he said, was Ireland; but the second, and one of the most pressing, is the question of

your currency. [Hear, hear!] What the prime minister's present views may be I do not know [laughter] and I do not presume to say, but I am encouraged by all that I have seen of Scotland and heard in the few hours I have been in Edinburgh to-day, I cherish the hope and belief that it may be reserved for Scotsmen by their attitude to turn the scale upon this vast and interesting question, with regard to which, gentlemen, I do assure you that in my heart and in my conscience I believe that it is of superlative importance, not only to the great industry which you yourselves especially represent, but to all the workers and producers, and to all productive industry, not only to your well-beloved Scotland, but throughout the whole of the civilized world." [Loud and prolonged applause.]

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